

MONDAY SPORTS
NFL RESULTS
Page 15

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Bleak Trek Recalls World War Scenes As Bosnia Darkens

By John F. Burns
New York Times Service

TRAVNIK, Bosnia-Herzegovina — By horse cart and on huge plow horses, on flatbeds towed by tractors and packed into rickety trucks, thousands of exhausted soldiers and refugees arrived in this quiet textile town after the worst military defeat suffered by the Sarajevo government in the Bosnian war.

An exodus that gathered pace through the night reached full force after dawn, with muddy, weeping people pouring into Travnik along the road from Jajce, the strategic town 30 kilometers (30 miles) northwest, which fell to Serbian nationalist forces on Thursday.

What was developing here was the latest disaster in a refugee crisis that is shaking Europe and threatening to become a catastrophe this winter.

The figure given by the United Nations — at least 1.3 million Bosnians left homeless by the "ethnic cleansing" campaigns that have devastated this Balkan republic — has been repeated so often that even UN officials here seem numb.

Long before Jajce fell, inflating the number by 30,000 to 40,000 people, the officials warned that as many as 400,000 refugees could die in coming months of hunger and cold.

Along Marshal Tito Street in Travnik on Saturday, out past butterscotch-yellow mansions and graceful old mosques, the UN warnings took on human form. The scene was like a World War II newsreel, with thousands upon thousands of Jajce residents deprived of homes and farms, of jobs and friends, of mosques, churches and schools.

Many Jajce residents were killed as the Serbian troops who burst through its defenses and began to torch the town followed up with sniper and artillery fire on the swelling column of refugees.

According to survivor accounts, the guns opened up as the thickest part of the column made its way down a logging road barely wide enough for a single horse cart, sending thousands of terrified people scrambling into the forests. The number killed was not clear, but the column was halted for 24 hours while General Philippe Morillon, the UN commander for Bosnia, appealed to the Serbian forces to hold their fire.

By then it was too late for at least one man, Srepan Bojanovic, 88, who died apparently of a heart attack in the back seat of the battered car, where he remained after other family members fled the shellfire.

In Travnik's market square, his son and grandson pulled aside the

See BOSNIA, Page 6



Uninvited Guest at a Pro-Communist Rally in Kiev
A man suspected of setting off a smoke bomb at a rally Sunday in Kiev being hauled away by Ukrainian police. More than 4,000 people attended the pro-Communist rally, which was held to mark the 75th anniversary of the Bolshevik Revolution.

A Bitter Bush Decries Press 'Witch-Hunt'

Clinton's Hoarse Message To Backers: 'Don't Give Up'

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — Facing slippage in national polls, President George Bush expressed bitter frustration on Sunday about press coverage and "witch-hunt" tactics in the presidential campaign, but he vowed to defeat Governor Bill Clinton.

"The media has been very unfair," Mr. Bush said in a broadcast interview less than 48 hours before the election booths open Tuesday. And he added: "The press has been the worst it's been ever."

Mr. Clinton attended church on Sunday, then a party outside a professional football game in Ohio, but he was so hoarse he could barely speak.

"We've fought for a year," he croaked in a microphone-amplified whisper. "Don't give up!"

Television has become saturated not only with advertisements from national, state and local candidates but also with public-service spots urging Americans to vote. Posters, lapel buttons and bumper stickers are sprouting, and get-out-the-vote telephone banks, operated by both parties, are in full swing. Mr. Clinton and Ross Perot, the independent candidate, were preparing election-eve appeals on the major television networks.

In a fresh, 30-minute commercial Sunday night, Mr. Perot caustically criticized Mr. Clinton's record as governor in Arkansas and Mr. Bush's tenure as president.

Mr. Bush seemed particularly annoyed by renewed questions over whether he has told the truth about his knowledge of the 1986 arms-for-hostages deal that sent anti-tank missiles to Iran via Israel.

Over the weekend, Democrats eagerly cited evidence of Mr. Bush's role contained in a new criminal indictment against then-Defense Secretary Caspar W. Weinberger. In the indictment, handed down Friday by a federal grand jury, a 1986 memo by Mr. Weinberger explicitly states that Mr. Bush knew of the deal and favored it, although for years he has said otherwise.

"I think it's been a big witch-hunt out there," Mr. Bush said Sunday. Told that most Americans surveyed do not believe his explanation of being "out of the loop" on the Iran policy while he was vice president, Mr. Bush retorted, "Well, too bad."

Asked if he believed the campaign by Mr. Clinton had been ugly, Mr. Bush responded coolly: "Other than calling me a liar, I don't think so."

Later, he appeared energized at a rally in Auburn Hills, Michigan, where he repeated his accusation that Mr. Clinton engages in "a pattern of deception" and declared, "I am absolutely convinced of victory."

A range of polls in key states and across the nation provided some solace for both the Democratic and Republican camps, if somewhat less hope for Mr. Bush.

The freshest nationwide polls placed Mr. Bush six, seven and nine points behind among probable voters.

The campaign focus remained on the battleground states of Michigan, New Jersey, Ohio, Wisconsin, North Carolina and Georgia. Tennessee and Pennsylvania were also considered potentially within reach for Mr. Bush, and he was reportedly considering a campaign stop near Philadelphia.

Mr. Clinton was expected to draw especially well among young voters, women and blacks, while Mr. Bush appeared to be strongly favored by white males.

Experts predicted a surprisingly large turnout on election day by an electorate that appears far angrier than in recent elections. Many ana-

See BUSH, Page 3

Thatcher's Shadow Falls Across Major's Treaty Showdown

By William E. Schmidt
New York Times Service

LONDON — As Prime Minister John Major digs in for what some describe as possibly his last stand, staking his political survival and the future of his government on seeing the Treaty on European Union through Parliament, a familiar shadow has crossed his path.

It belongs to Margaret Thatcher, his predecessor. Now Lady Thatcher, a baroness and member of the House of Lords, she is an ardent skeptic of European union and, by common acclaim, the spiritual leader of the Tory rebels trying to block the ratification of Mr. Major's treaty at all costs.

In recent weeks, Lady Thatcher has kept Mr. Major's critics abreast of her views. John Major lobbies hard before Parliament's vote on Maastricht. Page 6.

A relatively low profile while it seems that many members of Mr. Major's Conservative Party, have piled on the prime minister and his government for its stumbling and

bumbling on the economy and the coal industry.

Mr. Major's critics are bracing for a showdown over Europe. The prime minister is personally warning Tory rebels that he might consider asking the queen to call a general election if a government motion reaffirming support for the Maastricht treaty is defeated in the House of Commons on Wednesday.

Aides at 10 Downing Street suggest that Tory rebels loyal to Lady Thatcher are now as determined to weaken and thwart Mr. Major.

A week ago, Downing Street went so far as to accuse opponents of European union as being the source of a specious article that appeared in a British newspaper, describing the prime minister as a man riven by indecision, isolated from friends, surviving on junk food and dyeing his hair to disguise his own appearance.

Then, other stories began to appear suggesting that Mrs. Thatcher herself was waiting in the wings, poised to take center stage again if and when Mr. Major should stumble over Europe.

Officials at Downing Street said they did not take such stories seriously, and neither did Lady Thatcher's aides. "I would take all of this with a huge grain of salt," said Sir Charles Powell, a former national security adviser to Lady Thatcher.

A Thatcher spokeswoman was even more adamant. "It's rubbish," she said. "There is absolutely no question of such a thing happening. She regards Downing Street as a closed chapter."

More important, there is a strong denial that Lady Thatcher herself is behind any mischief directed at the prime minister.

"A lot of people around her are trying to use her for their own purposes," said an aide.

See BRITAIN, Page 6

10 Coptic Tourists Shot In Egyptian Bus Attack

CAIRO (AP) — Gunmen believed to be Muslim extremists opened fire on a tour bus carrying Egyptian Coptic Christians in southern Egypt on Sunday, wounding 10 people. The attack was similar to one carried out 10 days ago.

No one immediately took responsibility for the attack on Sunday. It occurred in Deir Mowas, 220 kilometers (135 miles) south of Cairo, the site of an attack Oct. 2 on a Nile cruise boat carrying German tourists.

A tour guide and two workers were slightly injured in that attack. In an Oct. 21 attack on a tour bus, a British woman was killed and two British men were wounded.



GAINING — Willie Mitolo of South Africa, left, closing ground on Andrés Espinosa of Mexico during Sunday's New York City Marathon. Mitolo, in his first international race since his country was allowed back into the Olympic movement, was the winner; Espinosa was second. Page 15.

Democrat Ahead in 31 States

By David S. Broder
Washington Post Service

WASHINGTON — For the first time since Jimmy Carter in 1976, a Democratic presidential candidate enters the final hours of the campaign far better-positioned than his opponent to win the White House.

Governor Bill Clinton of Arkansas has a clear edge in 16 states and the District of Columbia that can provide all but 43 of the 270 electoral votes needed for victory, according to a Washington Post survey last week. He has a slight edge or better in an additional 15 states with 112 electoral votes that would swell his total to 339.

By contrast, President George Bush has a marked advantage in only nine states with 68 electoral votes and is even or slightly ahead in 10 others, with 131 electoral votes — a total of 199.

[A poll that caused a flurry of excitement last week by showing the election a dead heat indicated Sunday that Mr. Clinton had widened his lead to seven points. The CNN/USA Today/Gallup poll of 1,600 likely voters put Mr. Clinton at 43 percent, Mr. Bush at 36 percent and Ross Perot at 15 percent. The margin of error was plus or minus three points. On Saturday, the same poll had Mr. Clinton at 42 percent, Mr. Bush at 39 percent and Mr. Perot at 14 percent.]

[An ABC News Poll had Mr. Clinton at 43 percent, Mr. Bush with 37 percent and Mr. Perot with 14 percent.]

See POLLS, Page 2

Bush or Clinton, Dollar Wins

By Carl Gewirtz
International Herald Tribune

PARIS — As seen from Europe, the dollar is headed higher regardless of which major candidate wins the U.S. presidential election. Analysts believe it will climb higher and faster if Governor Bill Clinton is elected, while a victory by President George Bush is seen producing a more gradual advance.

"The difference is only a matter of degree," said Simon Crane, a London-based trading adviser. "The dollar is going up in any case."

His only caveat is if Ross Perot, the independent candidate, causes a deadlock, throwing the election into the House of Representatives. "That would be incredibly bearish for the dollar," Mr. Crane said. "Uncertainty is bad news."

But even if the election result is a clear victory for Mr. Clinton, the inauguration — and the effective start of new policies — is not until Jan. 20.

Along among the analysts interviewed to raise the possibility of a deadlock, Mr. Crane warned that such an unwelcome surprise totally overlooked by the foreign-exchange market would itself trigger a heavy sell-off of the dollar.

Standing apart from the pack is Jim O'Neill, London-based analyst at Swiss Bank Corp. His discordant view is that even if Mr. Clinton wins there can be no change in fiscal policy for at least six months — meaning there will be no instant spur to growth nor

See DOLLAR, Page 10

Angolans Strike at Rebels

Contributed by Our Staff From Dispatches

LUANDA, Angola — Government forces backed by armored personnel carriers and armed civilians moved against UNITA strongholds here Sunday, pounding the rebels with mortar shells and machine-gun fire.

There were no reliable reports of casualties, but the Portuguese news agency Lusa and Portuguese Catholic radio quoted unofficial reports as saying that more than 300 people were killed and that dead bodies lay in the streets.

The victims reportedly included two United Nations peacekeepers who were shot to death by Jonas Savimbi's UNITA forces as they drove through Luanda in a jeep, Lusa quoted a military source as saying.

Three days of fighting have pushed Angola back toward full-scale conflict after Mr. Savimbi rejected the results of elections won by his civil-war rival, President Jose Eduardo dos Santos.

Some of the heaviest fighting in the capital raged in the diplomatic district of Miramar, where a large

UNITA garrison resisted with mortars and rocket grenades.

Mr. Savimbi has been out of Luanda since early October when he fled to his central highland stronghold in Huambo, 310 miles (500 kilometers) southeast of Luanda. Fierce fighting has battered Luanda since Saturday afternoon, leaving the 1991 peace accords in shreds.

Several countries were planning to evacuate their nationals. Portugal, which has some 40,000 citizens trapped by the fighting, sent a Her-

cules C-130 transport with paratroopers to the island staging post of São Tomé e Príncipe.

South Africa, which formerly supported UNITA, also announced it was sending a navy ship with two helicopters to the Angolan coast for a possible evacuation.

Angola has lurched toward war since Mr. Savimbi accused the government of rigging September elections and threatened to fight rather than accept defeat at the polls.

UNITA — the National Union for the Total Independence of Angola — ran second in the vote to the ruling MPLA, or Popular Movement for the Liberation of Angola.

UN monitors said the balloting generally was free and fair.

There were patchy reports of fighting from other parts of the country. Angola's state news agency, ANGOP, said government helicopters bombed UNITA bases attacking the port of Benguela, south of Luanda.

Portuguese diplomats reported

See ANGOLA, Page 6

'The Gypsy Problem': Germany Shows It the Door

By Marc Fisher
Washington Post Service

BERLIN — A posh restaurant. Doffed up in black on black, eyes hidden behind sharp-edged designer frames, the trendiest of the trendy linger over Champagne and salads of deer and radicchio.

A heavyset woman and her 6-year-old daughter step into the dining room and move slowly from table to table. The girl holds out a worn piece of cardboard. In broken German, it says:

"Help! We are hungry! We lose our home! We come to Germany need food need money! Please help!"

Gypsies.

At most tables, the two are ignored. Two Germans reach into their pockets and, eyes averted, hand over some pennies. Just then, the bartender notices the beggars and rushes over to them with a broom.

"Raus! Raus!" he says sternly. "Out! Out!" He is waving his broom at the woman's filthy skirt. She moves slowly toward the exit, her hand still reaching out toward a customer, until she and her child are shooed out the door.

An hour later, they will be back.

Call it The Gypsy Problem. Effective Sunday, the German government began its latest attempt to sweep it away. This one is a radical solution: the deportation of thousands of people, an entire ethnic group whose presence in the country is disagreeable to many Germans.

The exiles are unmistakable, and disturbing. Human-rights groups are incensed. The foreign press is outraged. The Gypsies are searching for hideouts.

But in Germany, there is virtually no debate. Across the Chancellor Helmut Kohl considers an emergency declaration to stem the flow of refugees. Page 5.

barbecued the neighbor's dog, defecated in public playgrounds and stashed the receipts from street begging into the trunk of a new Mercedes.

Germany's extreme right is blatant in its anti-Gypsy attacks. "Stop the Gypsy Invasion!" shouts the headline on a nationalist newspaper. "Germany is in Grave Danger!"

The embattled government of Chancellor Helmut Kohl, which has seen its popularity plummet as the country expects a half-million refugees this year, is more reserved in its language.

"You must understand," a Kohl aide says. "We cannot tolerate such an influx. These people do not, cannot fit in. The way they live — cooking outdoors, even going to the toilet outdoors. We know we have a perception problem with tolerance of foreigners, although the great majority of Germans are very much foreigner-friendly. But the Gypsies present another problem entirely."

A director of one of Germany's largest banks said: "I went for a short vacation with my wife to a beautiful section of Western Germany, where the village families have lived together for centuries. Suddenly you see these people in their

See GYPSIES, Page 5

PEOPLE
fast

CAMPAIGN '92 / UNCERTAINTY ON CAPITOL HILL

Democrats Will Hold Senate, but Will They Own It?

By Clifford Kraus
New York Times Service

WASHINGTON — Three weeks ago, Democrats were confident that they were rolling toward a sweeping victory in Senate races across the country, giving them a filibuster-proof, 60-vote majority needed to pass strong gun-control legislation and codify abortion rights.

But in a twist of fortunes even more marked than in the presidential race, Republican Senate candidates have made steady gains in the last 10 days, producing tight races in 11 of the 34 seats contested on Nov. 3.

They have advanced most markedly in California, Illinois, Pennsylvania, New York, Washington and Wisconsin, all states where Republicans were seen as sure losers only a few weeks ago.

Depending on how these close races go, Democrats might yet add to their 57-to-43 majority. But there could be little or no change in the Senate's party breakdown. Republicans even have a slim chance to pick up a seat or two, adding to their power either to support President George Bush or block the initiatives of President Bill Clinton.

Whatever the final breakdown, Republicans have virtually no chance of challenging Democratic domination in the Senate. The situation is the same in the House, where

Republicans are expected to make few gains despite a projection of more than 100 new members.

In the Senate, each party is at some risk of losing six seats it held in the 102d Congress. Among those facing the most serious challenges are five Republicans and two Democrats. The Republicans are John Seymour of California, Bob Packwood of Oregon, Robert W. Kasten Jr. of Wisconsin, Arlen Specter of Pennsylvania and Alfonse M. D'Amato of New York. The Democrats are John Glenn of Ohio and Terry Sanford of North Carolina.

While New Hampshire Republicans are facing surprising opposition in their efforts to hold the seat of Senator Warren B. Rudman, who is retiring, Democrats face firm challenges for seats of departing senators from California, Colorado, Illinois and Washington.

"I'm feeling kind of nervous," said Don Foley, political director of the Democratic Senatorial Campaign Committee. "There's too much volatility. But we could still pick up a seat or two."

A Republican consultant, Linda Divall, said: "Things are moving very quickly out there. The three Republican incumbents that were written off three weeks ago — D'Amato, Kasten and Specter — are now all in position to win."

Some Republican strategists said they believed that Democratic Senate candidates had shot to big leads in the aftermath of the Republican National Convention because the inflammatory appeals of Patrick Buchanan and a few other speakers turned off most independents and even some Republicans. Now, they say, the voters are finally focusing on the Senate races.

Although noting that filibusters, delaying tactics that require 60 votes to overturn, are rarely broken on purely party-line votes, Republicans said that only a few days ago they feared that a Democratic gain of up to five seats along with a Democratic White House would produce a steamroller they could not resist.

A Clinton victory would give Democrats control of both the executive and legislative branches for the first time in 12 years.

Few national patterns have emerged in the Senate races, except that negative campaigning is the norm even though most voters say they yearn for more issues and fewer personal attacks.

Voters in South Carolina are rejecting Republican advertisements linking gay rights to Senator Ernest F. Hollings, fueling the Democratic senator's comfortable lead over a candidate who was once given a real chance to win. But in Wisconsin, Mr. Kasten has rebounded in stunning fashion by painting

his Democratic opponent, Russell Feingold, a state senator, as a coddler of criminals and one whose secret plan is to tax the middle class.

Several races are based on primarily local issues. For instance, the tight Oregon race between Mr. Packwood and Representative Les AuCoin may be decided over which is viewed as friendlier to the suffering timber industry.

And in New Hampshire, Governor Judd Gregg, a longtime Republican staple, is trying to beat back a strong Democratic Senate challenge by warning voters that his opponent's suggestion to cut defense spending by 50 percent over five years would put thousands of local shipyard workers out of a job.

The congressional hearings last year involving Anita F. Hill and Clarence Thomas helped produce what Democrats heralded as "the year of the woman," resulting in 11 women winning nominations for the Senate. But female power seems to have faded since the primary season.

Only two of the female candidates, Senator Barbara A. Mikulski of Maryland and Diane Feinstein of California, appear to be sure bets, with Democrats Lynn H. Yeakel of Pennsylvania, Patty Murray of Washington, Barbara Boxer of California and Carol Moseley Braun of Illinois running either narrowly ahead or narrowly behind.



Carol Moseley Braun, right, campaigning in Illinois with the help of Sharon Pratt Kelly, center, the mayor of Washington. Mrs. Braun is one of several Democratic women in tight Senate races.

ELECTION NOTES

On High Court's Bench, Room at the Center

WASHINGTON — For the last 25 years, Republican presidents have appointed every new justice to the Supreme Court.

As a result of their long domination of the White House, Republicans from Richard Nixon through George Bush have created a high court that is sympathetic toward government power and skeptical about claims of individual rights. Four of the nine justices said in June, for instance, that they would vote to overturn the right to choose abortion — meaning if just one more justice agrees with them, the landmark Roe v. Wade decision would be reversed.

If Mr. Bush is re-elected, by 1996 all nine justices would likely be conservative Republican appointees. With one or two appointments, however, a President Clinton could push the court back toward the ideological middle. The opportunity could come if two justices follow through on hints they might soon retire.

One, Justice Harry A. Blackmun, a moderate liberal who wrote the Roe decision, turns 84 next month. The other, Justice Byron R. White, 75, the lone remaining Democratic appointee, is often aligned with the court's conservative wing. He was one of the four justices who declared that he would reverse the abortion-rights decision.

For the record, Clinton aides say that it is premature to talk about any nominees. Mr. Clinton has not been elected, they note, and no Supreme Court justice has announced plans to retire.

But with the Arkansas governor holding a lead in the polls, liberal legal activists and some Clinton advisers have been quietly trading names of potential nominees. They say that Mr. Clinton would stress quality and achievement, rather than ideology. But he has warned that abortion rights are hanging by a thread and has said that his nominees would support Roe. Later, he said simply that they would support a right to privacy, which was the basis for Roe. (LAT)

A Big Party Coming Up in Little Rock Tuesday

LITTLE ROCK, Arkansas — The center of downtown Little Rock promises to be an untidy but festive clutter of television satellite trucks, snaking cables, oversized video screens, street vendors and a projected 20,000 to 25,000 strolling party-goers on election night.

Nearly 16 square blocks will be closed to automobile traffic, and luxury hotel suites overlooking the Arkansas River will be taken over by private parties for wealthy Democratic Party contributors and officials.

But what if Mr. Clinton should not win the presidential election? "That would dampen spirits a bit," Mayor Sharon Priest said. "But I don't think we would flood the city with tears if he lost. People are coming in from all over the state and from Tennessee and from other states, and it's going to be just wonderful fun whether you are for Clinton or not."

Hotels are completely booked as far away as Hot Springs, 40 miles (60 kilometers) to the southwest, so Little Rock residents like P.A. Hollingsworth, a lawyer, said people he had not heard from in years have called to ask if he could put them up.

Some were job seekers in a new administration, he said, and others were Arkansas natives who just wanted to be part of the spectacle.

Over the last year or so, Mr. Clinton's drive for the presidency has been a bonanza for Arkansas' state capital of 175,000 people. It has also prompted curiosity about the city and the state, so local tourism officials hope to continue cashing in. They will soon start offering eight half-day to full-day bus trips to points of interest around the state. (NYT)

Quote/Unquote

"All I can say is Bozo makes people laugh and Bush makes people cry. ... And America is going to be laughing on Tuesday." — Bill Clinton, in response to Mr. Bush, who had called the Democratic team "two bozos." (AP)

Away From the Hustings

- The space shuttle Columbia landed safely on Sunday at Cape Canaveral after nearly 10 days in orbit. It touched down at the Kennedy Space Center, from which it blasted off on Oct. 22 on a mission that was criticized by some for its modest scientific goals. While in orbit, the crew of five men and a woman deployed a small earthquake research satellite and tested a computer vision system designed to improve the sight of robots in the future construction of a \$30 billion U.S. space station.
- A flu shot could open the door to a new class of drugs against HIV, the virus that causes AIDS, but Duke University Medical Center researchers in Durham, North Carolina, said a new drug would not be developed quickly. The researchers have created a protein fragment that stops the AIDS virus from infecting human cells in laboratory tests. Scientists say a report will be published this week in the Proceedings of the National Academy of Sciences.
- Eight trick-or-treating children suffered hallucinations, headaches and nausea Halloween night in Warrington, Pennsylvania, but authorities said they doubted tainted candy caused the illness. Officials said none of the children was seriously ill.
- Tighter security has reduced illegal crossings of the U.S.-Mexican border near San Diego and helped combat border violence and drug traffic, the U.S. Immigration and Naturalization Service said in Washington Saturday.
- Church of Scientology members must be allowed to attend a convention held by an organization that claims the church is a cult and is accused of kidnapping its members, a judge has ruled. He said that the Cult Awareness Network cannot bar the Scientologists from attending its national convention in Los Angeles this week. Officials tried to bar them because they feared the Scientologists' real motivation was to disrupt the conference.
- A 30-year-old man arrested on rape charges in Houston has admitted to committing some attacks and may be responsible for assaults on as many as eight women aged 18 to 79, authorities said. Peter Senez, 30, a Colombian national, was arrested Friday and charged with three counts of aggravated sexual assault.
- An action of Ku Klux Klan memorabilia attracted hundreds of people, from collectors to the curious, to Fremont, Michigan, over the weekend in an event criticized by a civil rights leader as reminiscent of a slave auction. People bid as much as \$1,000 for stained cotton robes and hoods. Also on sale were aging documents and letters from a now-defunct Klan chapter that operated in the area in the 1920s.
- The 1992 smog season in Southern California was one of the cleanest on record, continuing a decade-long trend of slow-but-steady improvement of the nation's most polluted air. The region still has the nation's worst air pollution, and has consistently violated Clean Air Act standards for more than 30 years.

Don't Waste Votes on A 'Loser,' Perot Says

Compiled by Our Staff From Dispatches

LONG BEACH, California — Ross Perot brought his long-shot campaign here Sunday with the message that President George Bush is destined to lose and the American people should not waste their votes on him.

At large and fervid rallies Saturday in Tampa and Kansas City, he had words of ridicule for Bill Clinton, whom he referred to as a "blow-dried" show dog who equates economic growth with chicken production. But he saved special and personal contempt for the president.

He repeated his charge that Mr. Bush had spent billions of dollars to build up President Saddam Hussein of Iraq and then wasted American lives trying to overthrow him. He said that under Mr. Bush the country had drifted and declined.

And he sneered at a Bush warning this week that a vote for Mr. Perot was wasted because he could not win.

"All those wonderful people that are lifelong Republicans, make sure they don't waste their vote between now and Tuesday," Mr. Perot told a cheering crowd of about 7,000 in Tampa.

"You talk about throwing away a vote," he said. "Number one, he can't win. Number two, with his record, he shouldn't win."

He continued to hammer at Mr. Bush in Kansas City, noting that as vice president and president he had had 12 years in national office.

"We can't take four more years," Mr. Perot said. "Give him four more years, and we'll be a Third World country. This guy is shipping whole industries overseas."

As part of what he calls his "two-minute drill" of election-eve campaigning, Mr. Perot was to speak Sunday at rallies in Long Beach and Santa Clara before returning to Dallas for his last pre-election public appearance.

While he called in Tampa for "fast shined sacrifices," he offered no specifics from his harsh plan to reduce the national deficit through tax increases and program spending cuts.

In a rambling speech before 10,000 people in Kansas City, he assailed the high rate of violent crime and proposed that anyone convicted of using a gun in the commission of a crime should spend the rest of his life behind bars.

Notably absent from either speech was any prediction of victory on Tuesday. In television interviews last week Mr. Perot boldly predicted that he would sweep all 50 states. But in Tampa, he adopted an almost fatalistic tone.

"When you go to bed Tuesday night, I hope you go to bed saying, 'Well, whatever else you've got to say about that guy, he loves his country and he sure loves us,'" Mr. Perot said. (Reuters, LAT)

Religious Right Runs a Prayerful Drive for Bush

By Peter Applebome
New York Times Service

ATLANTA — Little noticed since the Republican Convention in Houston, the religious right is mounting a sophisticated, high-intensity battle on behalf of President George Bush that it claims can provide a margin of victory if the race continues to tighten.

Pat Robertson's Christian Coalition, by far the most powerful force, says it is planning to send out 40 million voter guides, which compare the three presidential candidates' positions on issues like abortion, prayer in schools and homosexual rights, and plans to distribute them in 246,000 churches by Election Day.

He calls the distribution of leaflets, which were to put 30 million voter guides in churches, from evangelical to mainline Protestant to Catholic, this Sunday, "the most comprehensive effort in the history of the country." He says well-organized evangelicals can make the difference in the presidential race.

"The entire race will come down to who turns their people out to the polls," said Ralph Reed, executive director of 350,000-member Christian Coalition, founded in 1989 from the remnants of Mr. Robertson's presidential campaign.

"It will be the union boiler rooms and the black churches versus the evangelicals," Mr. Reed said, "and I think we've got a very good chance of getting our people out. I think there's going to be a lot of surprised faces on election night."

Mr. Reed said the group was working on state and local races as well as on the presidential race. But at the presidential level the issue is not just the election, but the role that conservatives and the religious right will play in the party afterward.

The tone of the activities varies widely.

A leaflet put out by another coalition of Christian conservatives, including Operation Rescue's leader, Randall Terry, begins: "Christians beware, to vote for Bill Clinton is to sin against God."

A full-page newspaper ad by the same group in Friday's USA Today, which was to run in another 157 papers during the weekend, raises issues of abortion, homosexual rights and condom distribution in schools and concludes: "The Bible warns us not to follow another man in his sin nor help him promote sin — lest God chasten us. How then can we vote for Bill Clinton?"

A group of Protestant, Jewish and Catholic religious leaders denounced the ad, terming it "a piece of spiritual

arrogance and political extremism that has no place in our public discourse."

Mr. Robertson said language referring to a voting choice as sinful was "totally inappropriate." He said a vote for Mr. Clinton would be "stupid" rather than sinful.

But while citing economic issues as a reason to vote for Mr. Bush, Mr. Robertson also questioned Mr. Clinton's morality.

"This man is supposed to be the role model for America," he said. "I just don't want somebody like that in office. George Bush is an outstanding churchman, father, grandfather."

The religious right is hardly alone in mobilizing for the election. And some political experts voice skepticism about how effective it is likely to be.

"They can help in the South, where the president is most competitive already," said Kevin Phillips, a Republican political analyst. "But usually in the northern states they provoke more in a counterreaction than they give you in a direct benefit. I think they've passed their peak."

Some experts say that despite the relative lack of attention the religious right has received since the Republican convention, the movement is mounting a sophisticated, mainstream effort that far surpasses what it did in 1988.

Clinton Prevails On the Campuses

By Michael Abramowitz
Washington Post Service

EAST LANSING, Michigan — When Ronald Reagan and George Bush won landslide victories in the 1980s, they did it with the help of college students like Neely Welch, 18, a Michigan State University freshman who is about to cast her first presidential ballot. But in the 1990s, this once dependable component of the Republican coalition is dependable no longer.

"I was Republican up until this election," said Miss Welch, who is studying environmental engineering. "But I'm definitely for Bill Clinton now. I think Bill Clinton is very sincere, and George Bush — he's full of it. I just don't like the way he says, 'I'm going to do this, I'm going to do that.' Why didn't he do it the first term?"

Michigan State is not a bastion of elite liberalism. Professors and administrators say the student body was fairly conservative in the 1980s and included many Reagan supporters.

But here and at other colleges and universities around the country, economic hard times have returned many students to the Democratic fold, recent polls suggest. Many of these students have embraced the Democratic ticket with a fervor that has startled even some of their more jaded elders. In East Lansing, for instance, at the University of Michigan, Clinton-Gore signs can be seen all over dormitories and student apartments.

Since classes started this fall, student groups said they had registered close to 10,000 new voters, helping to swell the voting rolls in the Lansing area to what Ingham County officials say is the highest level in 16 years.

"I cannot remember the same degree of excitement, interest and involvement in a presidential campaign since the mid '70s," said Barbara C. Steidle, an assistant provost at Michigan State. "There's a

lot of enthusiasm for the Democratic ticket."

Part of the excitement stems from the campaign's ongoing debate saga this fall. The first meeting scheduled by the presidential debate commission was supposed to be here, but after President Bush refused to accept the panel's terms, Mr. Clinton came anyway for a late September rally that drew close to 10,000 people.

Mr. Clinton has appeared on college campuses more than 40 times since the Democrats' national convention, part of what aides say is a determined effort to energize the student vote. In fact, not since the 1972 campaign of George S. McGovern has a presidential candidate so assiduously reached out to students. Mr. Bush, by contrast, has visited less than a dozen campuses since the Republican convention in August, according to campaign spokesmen.

When a presidential debate finally was held here Oct. 19, the campus was electric with talk of little else but politics.

Fueling the romance with the Clinton-Gore ticket here, as in the rest of the country, is discontent with the economy. Many of Michigan State's 40,000 graduate and undergraduate students have mothers and fathers in the struggling auto industry. Many say they are having trouble meeting tuition and book fees. And many express anxiety about their job prospects after college.

"People are laying it all on George Bush's shoulders," said Cara Chichowski, a senior pre-law student and leader of the student government here.

"A lot of kids are getting scared that they're going to graduate from college and not have an opportunity to work," said Michael Shaffer, a sophomore. "They've seen that happen under the Republicans. I guess that when the Republican Party was attracting young people, it was the opposite. There was an abundance of jobs."

There is also a sense that being for Mr. Clinton is seen as "cool" — a term used by William Mulligan, the frustrated president of Michigan State Republicans. The Republican hard line on abortion also seems to have turned off many young women, while the alleged character flaws of Mr. Clinton, including his failure to serve in Vietnam, are dismissed as irrelevant.

"I don't really blame him for not wanting to go to the war," said Andrea Anderson, a freshman studying to be a veterinarian. "I would have opposed it too."

Derek Band, a senior, said, "Some of Clinton's personal life I don't approve of, but a lot of leaders in the past also had problems and did O.K."

Mr. Bush retains pockets of support, especially among the 48 fraternities and sororities that draw much of their shrinking membership from Michigan's wealthier enclaves. Many students also said last week that they were fascinated and even amused by Ross Perot, the independent candidate, but not enough to give him their votes.

BUSH: Frustration With the Press

(Continued from page 1)

lysts said incumbents of both parties could expect very tough races.

Mr. Bush's old boss, Ronald Reagan, stumped for him in Georgia and North Carolina over the weekend. On Monday, Mr. Clinton planned a 29-hour 10-city tour, a slaughter that would take him to Pennsylvania, Ohio, Michigan, Missouri, Kentucky, Texas, New Mexico and Colorado before returning to his home in Little Rock, Arkansas, on Tuesday. Mr. Bush plans to end up his campaign at a rally Monday night in Houston, where he maintains his legal residence.

Many analysts maintain that Mr. Bush still has a far tougher task than Mr. Clinton in knitting together the right states to win the 270 electoral votes needed for reelection.

The daily "tracking" poll conducted by the Gallup organization for CNN moved from a one-point lead for Mr. Clinton on Friday to three points on Saturday and seven

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INTERNATIONAL Herald Tribune

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Arguments for Clinton

The forest: A week ago in this space, The New York Times weighed George Bush's sensible stewardship of foreign affairs against domestic leadership...

public schools. That maintains public responsibility for the children from the most troubled homes who need attention most...

The forest: A week ago in this space, The New York Times weighed George Bush's sensible stewardship of foreign affairs against domestic leadership...

public schools. That maintains public responsibility for the children from the most troubled homes who need attention most...

Murderers, Aged 12 and Under. The horror mounts: ever younger and ever more volatile children commit murder with guns. A Northeastern University study reports that arrests of boys aged 12 and under for murder doubled between 1985 and 1991...

Right to Life: Whose? The Bush administration's opposition to abortion rights has had profound indirect consequences for the seriously ill and for women all over the world...

Cities as Poorhouses. Cities, magnets of opportunity, continue to socialize and educate poor migrants and immigrants—serving in effect as poorhouses for the whole population...

Investment in Growth: Whose? In this increasingly global economy, U.S. living standards will rise in the 21st century only to the extent that America trains unskilled workers to use advanced equipment...

The Children Left Behind. On the hottest educational issue of the day, school choice, the two candidates differ dramatically.

If the election is to turn on a single issue, this is the right one—training and public investment. As president, Mr. Clinton might end up doing only a fraction of what he promises...

Germany Must Do Better

Chancellor Helmut Kohl, warning of a possible "crisis" that could threaten stability in his increasingly stressed-out country, has stated repeatedly that he considers the chief threat to that stability an influx of foreigners...

during the past two years. And yet neo-Nazi sentiment and activities continue to rise in both parts of Germany, with polls showing that a growing number of Germans believe that their lives and well-being are threatened by the presence of foreigners...

Very Important People

What qualities did the Cuban missile crisis 30 years ago bring out in people? Some veterans of the New Frontier, reminiscing about those chilling 13 days, recalled fatigue, fear of deadly miscalculation—and a story of human priorities.

Well, ah, there's not room for, um, wives, he was told, only for very important people. Well, in that case, he said, now you have room for another VIP—as, smiling, he handed his pass back.

Other Comment Bringing Americans Together

[Bill Clinton] is intelligent; he is diligent; he is energetic; he has grasped most of the issues, and found persuasive solutions to some. He could mark an end to divided government and could, if he used the presidency well, begin to bring Americans, black and white, rich and poor, closer together.

It is even remotely possible that Mr. Perot, notwithstanding his seeming paranoia, could surge at the last minute into the 20s, making the Clinton-Bush race tight, maybe carrying a few states, blocking any Electoral College majority and throwing selection of the next president into the House of Representatives.

The West Should Get Together and Grow

By Jim Hoagland

WASHINGTON—Almost as soon as the ballots are counted and a victor declared, President-elect Clinton or re-elected President Bush will be invited by circumstances and a desperate bunch of Europeans to shove the deficit-cutting ideas that have periodically dominated the U.S. presidential campaign...

ed campaigns of George Bush and Bill Clinton made it seem. What is urgent now is a more active role in stimulating world trade, which is dropping like a boulder hurled out of a jetliner. Such a switch in emphasis—especially by a politically reform President Bush—would smack of Read-My-Lipsism, Part II. But going now for stimulus and spending instead of retrenchment would in fact be a rational response to changed circumstances.

Statecraft: Who's Been The Bozo?

By Leslie H. Gelb

NEW YORK—Reaching new heights of eloquence in describing Bill Clinton and Al Gore, George Bush declared that "my dog Millie knows more about foreign affairs than these two bozos."

Whether Millie's command of President Bush's specialty surpasses that of the two Democratic contenders remains to be seen. Their record is yet too slender to render a final bozo balance sheet. Mr. Bush's record, however, is simple.

Most else he did abroad approached or crept close to the line into bozo territory. Mr. Bush's delirious notwithstanding, there is substantial evidence that he knew—and approved of—President Ronald Reagan's efforts to trade arms to Iran for the release of American hostages. In other words, Vice President Bush thought it made sense to let Tehran know that it could acquire more U.S. weapons simply by kidnapping more Americans in Lebanon.

The Winner in America Will Be Tested Abroad

By Charles Krauthammer

WASHINGTON—Among the many traps George Bush has fallen into this desperate re-election year, the foreign policy trap is of his own creation. On the one hand, he demands credit for having won the Cold War. On the other, he insists that America needs George Bush to answer the red phone when it rings in the middle of the night.

The Perot Factor Could Yet Cause Lots of Trouble

By Kevin Phillips

WASHINGTON—There is a slim chance that Ross Perot could divide the pro-change vote and assure re-election of a worn-out president. All it might take would be to wind up with 14 or 17 percent of the ballots and so undercut the popular favorite, Bill Clinton.

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started a mutiny. When the officers intervened the men fired on them, wounding several and forcing the others to flee. Mutineers were placed in cattle wagons and sent to an unknown destination.
HEADQUARTERS OF UNITED STATES FORCES IN THE SOUTH PACIFIC — [FROM OUR NEW YORK EDITORIAL] A huge Japanese armada has limped away from the Solomon Islands licking wounds inflicted on it in the last two days by the United States' Pacific Fleet. At least one large enemy aircraft carrier, a new large enemy submarine, another smaller carrier was hit and a heavy cruiser badly damaged in the fight. American dive bombers and torpedo planes also pounded the enemy ships, estimated to have numbered from forty to fifty, which were sent from two directions to attempt a knockout blow against the United States units in Guadalcanal.

AMSTERDAM—According to the Belgian journal "Les Nouvelles" serious riots have occurred among the German troops stationed at the camp near the name of Free Trade sufficed to scare away all opposition.
1917: German Mutiny
AMSTERDAM—According to the Belgian journal "Les Nouvelles" serious riots have occurred among the German troops stationed at the camp near the name of Free Trade sufficed to scare away all opposition.

For Italians, 122 Years of Unity Is Under Threat

By William Drozdzak
Washington Post Service

ROME — Italy's fragile unity is being threatened as never before in its 122-year history, with the main governing parties facing collapse because of public disgust with corruption and a populist appeal to form an autonomous state in the rich, industrial north winning strong support from voters.

As the four-month-old government of Prime Minister Giuliano Amato struggles to rescue the economy with draconian austerity measures, the country's political crisis appears to be reaching a point of no return because many Italians no longer believe the system is worth saving, according to politicians, economists and other analysts.

A cascade of scandals has all but discredited the Socialists and the Christian Democrats, the chief partners in the ruling four-party coalition. More than 70 members of Parliament, nearly all of them from the two leading parties, are under investigation for taking bribes or kickbacks in return for public works contracts.

Investigating judges in Palermo have confirmed what much of the country suspected: a long history of collusion between the Christian Democrats and organized crime.

An inquiry into the murder in March of Salvatore Lima, a close associate of Giulio

Andreotti, the powerful Christian Democrat who has been prime minister seven times, showed that Mr. Lima was a key intermediary who arranged favors for the Mafia, including acquittals and lenient sentences, in exchange for votes.

The Socialists, meanwhile, await with trepidation a rash of new indictments over rigged deals that were ostensibly used to pump funds into the party and the pockets of top politicians. The reputation of Bettino Craxi, the Socialist leader and former prime minister, has been badly damaged by revelations of corruption in his bid of Milan. His former protégé, Justice Minister Claudio Martelli, wants Mr. Craxi's job and their personal battle may shatter the party.

"The passing of the Cold War transformed politics in Italy more than in any other Western nation, and more than we at first realized," says Francesco Cossiga, a former president. As the postwar role of keeping Communists from taking power has vanished for the Christian Democrats and the Socialists, neither party seems to have found a new defining purpose.

The dishonored record of the Christian Democrats and the Socialists has fueled the spectacular rise of the populist Lombardy League and sister parties in the north that want to establish an autonomous state for

their affluent region and shed the burdens of the poor, Mafia-plagued south.

The league is urging a tax boycott and asking citizens to invest money outside the country until its demands are satisfied. Although polls show that a majority of Italians do not want to see their country break apart, public support for the league and its demographic leader, Umberto Bossi, has continued to surge since the April general election, when the party won 9 percent of the vote.

In regional elections in the northern city of Mantua last month, the league captured 33 percent of the vote, more than the Christian Democrats and the Socialists combined. The humiliating setback for the country's governing parties frightened mainstream politicians and convinced many of them that the old political structure cannot survive.

Giorgio La Malfa, leader of the small, liberal Republican party, has called for an urgent "democratic alliance" to halt the march of the northern league and its separatist ideas. Mario Segni, a maverick Christian Democrat, and the Socialist faction led by Mr. Martelli have joined in discussions that may ultimately kill off the old traditional parties and give birth to a whole new reformist movement.

Politicians have also turned up the rhetorical heat against the league, urging voters to

look at the ruins of Yugoslavia as an example of what can happen when regions catch the nationalist virus.

"The unity of the nation is sacred and inviolable," warned Italy's president, Oscar Luigi Scalfaro. "Woe lest it be disturbed."

Mr. Amato, who has been totally absorbed by Italy's financial crisis in recent weeks, denounced Mr. Bossi's appeal to move money out of the country as "a stab in the back of the state."

His government is also looking into whether the league's call for a tax boycott can provide grounds for prosecution. But tax evasion is a widely practiced art form in Italy, and any attempt to take legal action against Mr. Bossi and the league could only heighten their popularity.

Even Mr. Amato's modest effort to impose a "minimum tax" on shopkeepers has generated loud protests against the government. The government released statistics showing that furriers and other businessmen who deal in luxury goods were only declaring average annual earnings of \$9,000.

Shopkeepers insist that they need to declare impossibly low incomes because they must pay an exorbitant tax to a power they feel is greater than the state — the Mafia, which routinely demands "protection money" from Italian businesses.

Vatican Absolves Galileo: He Was Right About Sun

Los Angeles Times Service

VATICAN CITY — It's official: The Earth revolves around the sun, even for the Vatican.

The Roman Catholic Church has admitted to erring for the last 359 years in formally condemning Galileo Galilei for entertaining scientific truths it long denounced as anti-scriptural heresy.

At a meeting over the weekend of the Pontifical Academy of Sciences, Pope John Paul II helped set the record straight on behalf of the 17th-century Italian mathematician, astronomer and physicist who was the first man to use a telescope and who is remembered as a great scientist.

"The underlying problems of this case concern both the nature of science and the message of faith," the Pope said. "One day we may find ourselves in a similar situation, which will require both sides to have an informed awareness of the field and of the limits of their own competencies."

Thirteen years after he appointed it a commission of historic, scientific and theological inquiry brought the Pope a not guilty finding for Galileo, who, at the age of 69 in 1633, was forced to repent by the Roman Inquisition and spent the last eight years of his life under house arrest.

The commission found that Galileo's clerical judges acted in good faith but rejected his theories because they were "incapable of dissociating faith from an age-old cosmology" — the biblical vision of Earth as the center of the universe.

"God fixed the Earth upon its foundation, not to be moved forever," says one Bible verse contradicted by Galileo's pioneering notion that the Earth spins daily on its axis and makes an annual journey around the Sun.

Kohl May Ask Crisis Powers on Refugees

Washington Post Service

BERLIN — Chancellor Helmut Kohl of Germany is preparing to declare a national state of emergency that he would use to force through laws limiting the influx of refugees, according to government sources and press reports.

If the opposition Social Democrats, meeting at a special convention later this month, reject Mr. Kohl's proposal to scrap Germany's absolute guarantee of political asylum, the chancellor plans to declare an emergency and pass asylum restrictions with a simple majority vote of parliament.

The opposition party has prevented Mr. Kohl from winning the two-thirds majority needed for a constitutional change, but Mr. Kohl could easily win a simple majority from his own ruling coalition.

The clause of the German constitution that allows Mr. Kohl to declare an emergency speaks only of natural disasters, but aides said Mr. Kohl believed that the country's high court would back his argument that the recent wave of anti-refugee violence and the monthly arrival of up to 50,000 refugees have created a national crisis.

Although Germany has no legal immigration program, its liberal asylum law is expected to attract 500,000 refugees by year's end.

According to a report to be published in Monday's edition of *Der Spiegel* magazine, after declaring an emergency, Mr. Kohl intends to govern as if the asylum amendment were approved, ordering federal forces to turn back refugees coming from countries that Germany considers free of oppression.

A chancellor spokesman said Mr. Kohl would use "other constitutional means" to clamp down on the number of refugees taking up residence in Germany.

As anti-foreigner violence continued Sunday with firebombings of refugee shelters in several cities, the German federal prosecutor for the first time took responsibility for an investigation into a group of extremists operating in Cottbus in Eastern Germany.

Federal authorities had previously asserted that only local prosecutors could handle such cases. But the court and prosecution systems in the East are understaffed, short of funds and unable to move forcefully against the growing violence of the far right, justice officials say.

— MARC FISHER

GYPSIES: Germany Tries to Sweep Away a Problem

(Continued from page 1)

strange costumes, sitting in circles, with garbage all around them. They are Gypsies, of course. Well, they just don't fit in.

That the Gypsies are Europe's most despised ethnic group is unquestionable. That Gypsies do all the revolting things people say they do is, with the rarest of exceptions, untrue. German policemen say there is no evidence that Gypsies are responsible for any disproportionate share of crimes committed here.

A recent study of attitudes toward minorities in several European countries found Gypsies the most hated group in Germany, Hungary, Czechoslovakia and Bulgaria. Three in five Germans said they disliked Gypsies; Poles came in second at 50 percent; Jews were sixth at 24 percent.

Nothing riles most Germans more than the idea that their country is insensitive to the pain it has caused in this century. A single attack on a Jewish memorial is enough to summon a clutch of government ministers eager to show sympathy and offer help.

Despite its image of itself as a homogeneous country, Germany is actually home to more foreigners than any other Western European state. Nearly 6 million foreigners live in Germany. Of them, perhaps 200,000 are Gypsies.

Yet the government, pressed to do something about what 96 percent of the German public consider

the country's "foreigner problem," according to a recent opinion poll, selected as its first concrete move the deportation of thousands of Gypsies. The treaty under which Germany will begin deporting tens of thousands of Gypsies back to Romania went into effect Sunday.

"There will not be any spectacular expulsions or deportations," the Interior Ministry spokesman, Roland Bachmeier, told Reuters. "This agreement allows authorities to send back Romanians in a simpler and less bureaucratic manner."

Other officials said the number of Gypsy deportations would increase slowly in the coming months.

Human-rights groups, including the New York-based Helsinki Watch, have assailed the deportation agreement as an unconscionable singling out of Gypsies, half a million of whom were murdered in the Holocaust.

Germany will pay the Romanian government \$21 million for job training and other support for the returning Gypsies.

Officially, the deportation program is meant for "Romanians," not Gypsies. But refugee organizations say Gypsies make up a huge majority of Romanians who have flocked to Germany in the last three years.

"We're Germany's scapegoats again, guilty for everything that goes wrong," says Alfred Erdoll, leader of Berlin's Romany Union,

which represents both refugees and longtime German Gypsies. "And no one helps us."

The government says it is not singling out Gypsies, but hopes to persuade other Eastern European countries to take back their refugees as well.

After news organizations reported on the German-Romanian deportation treaty, an official of Germany's federal press agency called reporters to complain.

"You must know that by using words such as 'deportation,' you are causing great sadness," the official said. "This is not an expulsion. These words have terrible, disturbing historical connotations."

There was the faintest of pauses. "We prefer that you use the term 'readmission' or 'retransfer,'" he said. "There is no racial tinge to this. It is a legally settled procedure between two countries. It is, of course, a great relief to our problem."

Jewish Graves Defaced In Austrian Cemetery

The Associated Press

VIENNA — Graves in a Jewish cemetery in Eisenstadt were defaced with swastikas and Nazi and anti-foreigner slogans, the police said. A flyer found at the site praised the right-wing leader of the Austrian Freedom Party, Jörg Haider.

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Liberia Rebels Tied to Slaying of 5 Nuns

Compiled by Our Staff From Dispatches

MONROVIA, Liberia — Archbishop Michael Francis on Sunday identified rebels as the slayers of five American nuns and urged them to pray for the killers.

"They call themselves freedom fighters, but they kill innocent people," the Roman Catholic archbishop told hundreds of people gathered in Sacred Heart Cathedral. "They are destroyers of builders."

"The killers are around," he said. "We pray for the killers of the five sisters."

Archbishop Francis said that two of the slain nuns were last seen Oct. 20 leaving their convent, located behind rebel lines in Gardenville, six kilometers (four miles) northeast of central Monrovia, to rescue a wounded child. The other three were last seen Oct. 22.

Two of the nuns were killed along a road and the other three in front of their convent. They all had been shot to death. They were members of the Adorers of the Blood of Christ order and were in their 50s and 60s.

Barbara Brilliant, one of three American nuns still in Liberia, said that fighters led by the guerrilla chief Charles Taylor "see the CIA behind every white face." All the slain nuns were white.

Archbishop Francis did not specifically name Mr. Taylor's rebels, an undisciplined force that has been besieging the capital for more than two weeks, for the killings, but he

clearly was referring to them. He has said that to maintain the security of missionaries still behind Mr. Taylor's lines, he was not prepared to come out with a direct condemnation.

The Vatican newspaper L'Osservatore Romano reported that four Liberian novices who had been studying at the convent to join the American nuns' order also had been killed. But the archbishop said later that the novices were missing, and none was confirmed dead.

A rebel spokesman denied Saturday that the rebels had killed the nuns. But Mr. Taylor said later on his radio station: "It is really no-man's land, so it is anybody's guess what has happened to those nuns."

The killings occurred during a week of intensified violence in Liberia's nearly three-year civil war as Mr. Taylor's rebels battled Liberia's armed forces and a West African peacekeeping force in an offensive apparently aimed at capturing Monrovia.

Three of the nuns reportedly were found in the convent house where they lived, and the two others, who had left the house to minister to a sick child, were shot on a nearby road. The nuns, who were nurses and teachers, were reported missing last week, but searchers were unable to reach the convent because of fighting.

The State Department spokesman, Richard A. Boucher, said in a statement that the United States was "shocked and appalled" and "condemns this cowardly act."

While not specifying if the nuns' killers had been identified, the State Department statement said: "It appears the nuns were killed several days ago in an area that has been under the control of NPFL forces." He was referring to the National Patriotic Front of Liberia, Mr. Taylor's guerrilla group.

The slain Americans were identified as Sisters Barbara Ann Muttra, 69, of Springfield, Illinois; Joelle Kolmer, 58, of Waterloo, Illinois; her cousin, Shirley Kolmer, 61, also of Waterloo; Kathleen McGuire, 54, of Ridgeway, Illinois; and Agnes Mueller, 62, of Bartlesville, Illinois.

Mr. Taylor's forces invaded Liberia from Ivory Coast in December 1989 in a bid to overthrow President Samuel K. Doe. They gained control of most of the country and surrounded Mr. Doe's forces in Monrovia, where the president was killed by a separate rebel faction in September 1990.

The peacekeeping force, comprising troops from the Economic Community of West African States, was dispatched to enforce a truce, and Mr. Taylor's forces consolidated their hold on most of Liberia, refusing to recognize an interim government installed in Monrovia.

The warring factions reached a peace agreement last year aimed at bringing elections to the country, but factional fighting has marred the accord. (AP, WP, Reuters)

AMERICAN TOPICS

Clerical Collars O.K. For Priests on Trial

A motion by the prosecution to prevent two priests from wearing religious garb at their abortion-protest trial in Boston was withdrawn after Roman Catholic groups and anti-abortion groups expressed outrage.

The priests are members of Operation Rescue, accused of taking part in the blockade of an abortion clinic. The motion would have prevented them from wearing their clerical collars or being addressed as "father" at their trial.

This "neutral clothing requirement" motion had been filed to "ensure that the jury will decide the case solely on the evidence," said the Massachusetts attorney general, Scott Harshbarger.

The archdiocese of Boston said it viewed the motion "with real alarm," adding that it "may be part of an ominous trend to strip away the religious identity of an individual by the state."

About People

Thomas Alva Edison, 61 years after his death, has been granted a bachelor's degree by Thomas Edison State College in Trenton, New Jersey. The man who invented the light bulb, the phonograph and the motion picture projector had only five years of school, but he was an omnivorous reader. His daughter, Madeleine, once said, "We never needed an encyclopedia because Father knew all the answers."

John Daly hits the longest drives of anyone on the professional golf tour. Chi Chi Rodriguez said after watching a Daly drive disappear, "When I was a kid, I didn't go that far on vacation."

The Baskin-Robbins ice cream chain asked customers to nominate ice cream flavors for George Bush and Bill Clinton. "Rocky Road" was the winner for each. Other suggested varieties for Mr. Bush were Broccoli Delight, Budget Crunch and Read My Claps. Nominations for Mr. Clinton included Better Than Nut, Cannabis Candy and Slick Willy Walnut. Ross Perot had suspended his campaign when the poll started. For him, the Los Angeles Times suggested "Owns the Mint."

Short Takes

Six man-made nests newly placed on top of 40-foot (12-meter) poles deep in marshlands of Mississippi's Gulf coast await any bald eagles willing to nest there. In 1989, Mississippi State University researchers released 40 eagles that had been hatched and reared nearby. Now they hope the

birds' natural instinct to return to the place where they learned to fly will draw at least a few back to these marshes to mate. The poles are necessary because no trees in the neighborhood are stout enough to support the nests; the huge cypress trees where the eagles' ancestors once nested were chopped down years ago. "We don't know if it's going to work," said Robert Esler, the zoologist who heads the project. "It's the first major attempt to attract bald eagles to artificial nests."

Should inhabitants of the United States of Spanish descent be called Latino or Hispanic? Many of them maintain one word won't do, and insist on Cuban, or Spanish, or either Mexican-American or Chicanos, and so forth. But Earl Shorris, author of "Latinos: A Biography of the People," says that "political power in a democratic society requires numbers," and therefore "agreement on one encompassing name is vital." The U.S. Census Bureau chose Latino for the 1990 census, then decided it was too close to Ladino, the ancient language of Spanish Jews, and switched to Hispanic. Mr. Shorris urges Latino. "The vowels of Ladino are a serenade," he says. "Hispanic ends like broken glass."

Connie Munro, 57, of Juneau, Alaska, had been limping since knee surgery last spring for a dance injury. She said she thought the limp was permanent. Then, as she stepped out of her car, a black bear lunged at her, so she sprinted into a nearby building. She said she then realized that "the knee works" and that "I can walk normally."

Arthur Higbee

Major Cites Risks In Rejecting Treaty On European Union

LONDON — Prime Minister John Major, facing a critical parliamentary vote this week on the Maastricht Treaty on European Union, said Sunday that rejecting the treaty would be a disastrous mistake for Britain.

Mr. Major, who was staked his political credibility on getting the treaty ratified by Parliament, is most likely to win the vote on Wednesday after persuading some Maastricht skeptics in his governing Conservative Party to back him. But some government ministers admitted privately that the outcome was still undecided.

"We would not just be breaking Britain's word," Mr. Major said Sunday in the News of the World. "We would be breaking Britain's influence in Europe for good. This country will not make so disastrous a mistake."

He repeated his belief that only staying at the heart of Europe offered Britain the chance for economic growth and influence.

The prime minister has distanced himself from earlier suggestions that he could resign or call an election if his party defied him over the treaty.

A survey in the Sunday Times showed Mr. Major had become the least popular prime minister since polling began in the 1940s. Only 21 percent of those polled were satisfied with his performance, just seven months after he led the Conservative Party to a surprise fourth successive election victory.

The paper dubbed Mr. Major "the Jimmy Carter of British politics" and said, "His ability to provide the leadership the nation needs is in doubt and his flawed judgment on too many issues has inhibited, perhaps fatally, his ability to deliver."

That makes the way Conservative doubters vote all the more crucial. A survey for BBC radio showed 27 Conservatives were planning to vote against Mr. Major despite expected pressure from party managers.

BRITAIN: Thatcher's Shadow

(Continued from page 1)

side who is familiar with her thinking. "She has no belief in a comeback, or delusions. She is being used as a weapon against John Major by some of those in the Tory party, but it is not her choosing and it is not something she is encouraging."

But there are suggestions that Lady Thatcher may be playing a more covert role. An aide at Downing Street last week noted, without further elaboration, a report in the London press that some Tory rebels, their opposition wavering in the face of the government's insistent lobbying campaign, were counseling privately with Lady Thatcher, in order to stiffen their resolve.

More than half of Britain's 50 remaining coal mines and laid off 30,000 miners. In the face of angry public outcry and rebellion among Tory ranks that threatened to defeat his policy in Parliament, he said he now would close only 10 mines, at a cost of 7,300 jobs.

Ex-French Aide Seeks Special Jury

PARIS — Former Prime Minister Laurent Fabius has suggested he face a special jury to clear his name in a scandal over contaminated blood that has infected more than 1,000 hemophiliacs with AIDS.

Mr. Fabius, writing in Le Monde on Saturday, said such a jury could be set up specifically to judge the role played by himself and other Socialist ministers who were in his cabinet at the time of the scandal in 1985. He said he wanted to be accountable but repeated that he was never informed of the danger of contaminated stocks at France's national blood bank.

Three senior health officials were recently sentenced for having allowed blood stocks contaminated with the virus that causes AIDS to be distributed in 1985.

ANGOLA: Strike at Rebels

(Continued from page 1)

rooting in the port city of Luanda and other regions.

Once-prosperous Angola became a Cold War battleground after gaining independence from Portugal in 1975. Cuba and the Soviet Union armed the government and the United States and South Africa backed UNITA.

After 16 years of civil war, peace accords paved the way for the elections. The MPLA won 53.74 percent of the vote, ahead of UNITA's 1.1 percent.

But President dos Santos narrowly failed to win outright in presidential elections and, under balloting rules, should face a runoff against Mr. Savimbi. Mr. Savimbi as not said whether he will accept. State radio said 600 UNITA fighters were trying to take the government headquarters in Ndalando, the capital of Bengo province, 200 kilometers east of Luanda while others were advancing westward toward Luanda.

UNITA radio said government officials were attacking UNITA forces in Bengo province, just inside the capital.

Fighting in Angola's second city, Uambo, where Mr. Savimbi has established his headquarters, appeared to have stopped. UNITA radio said 22 civilians had been killed there over the last two days of indiscriminate shelling. (AP, Reuters)

Fighting Ends UN Truce Bid In Sarajevo

SARAJEVO, Bosnia-Herzegovina — A UN-brokered "Week of Tranquility" for Bosnia-Herzegovina came to an abrupt end after just a few hours on Sunday evening when intense machine-gun and mortar exchanges broke out around central Sarajevo.

Reporters in the besieged Bosnian capital said the fighting appeared to be concentrated around the Jewish cemetery south of the city that overlooks the burned-out parliament tower used by snipers and machine-guns. They also saw air bursts and gun flashes on Trebević mountain to the southeast.

There was no immediate word on casualties.

Unicef had declared Sunday as the first day of a "Week of Tranquility" for Bosnia-Herzegovina's children. A Unicef convoy carrying winter clothes, blankets and vaccines arrived in the city earlier in the day. The convoy, the first to the Bosnian capital from Belgrade since May, earlier unloaded five trucks, mainly blankets and clothing for children, in the nearby Serbian stronghold of Pale.

BOSNIA: Another Exodus of War

(Continued from page 1)

blanket that covered the old man's body, lifted him from the car and laid him in a plywood coffin. The truck driver who delivered the coffin apologized for the fresh bloodstains inside it, explaining that the crisis required coffins to be used only as far as the mortuary, where they were recycled for the next victim.

A friend who owned the car, Zvonimir Juran, tried to explain to a bystander what had happened. "Sve cisto. Sve cisto," he said — "We have all been cleansed," a reference to "ethnic cleansing," the practice of killing members of rival ethnic groups or driving them from their homes.

In Jajce, as elsewhere in the seven months of the Bosnian war, the practitioners of the policy were Serbian troops and the victims either Croats, like Mr. Juran, or Muslims. And as has frequently been the case when Serbian forces have attacked Bosnian towns that have been chosen to become part of an exclusively Serbian mini-state, Jajce, before the five-month siege that ended in its fall, was overwhelmingly inhabited by non-Serbs.

In the 1991 census taken when Bosnia was still part of Yugoslavia, 38.8 percent of the 49,500 people living in Jajce County, including the town, were Muslims, 35.1 percent Croats, and 19.3 percent Serbs.

Serbian radio and television accounts that showed Serbian troops

wearing green helmets and Yugoslav Army uniforms patrolling Jajce's shattered main street, with columns of white and black smoke rising into the sky beyond them, described Jajce as a "liberated town" and as part of "the free Serbian republic" created by the war.

The reports invited Muslims and Croats to return and live under Serbian rule. But among the Muslims who made it to Travnik, the Serbian officer was greeted as a cruel mockery.

"The Serbian soldiers were like ants — there were thousands of them, everywhere," said Jasminka Hrnjic, 30, sitting on a patch of sodden ground near the town center with her three daughters.

Running her finger across her throat, she said, "If we had stayed, we would have all been slaughtered."

Her father, Fehim Cosic, agreed. "I was a child in World War II," he said. "I saw the Germans in Bosnia, and I can tell you, even Hitler was not this bad."

■ Cameraman Killed

A Croatian cameraman working for the BBC was killed Sunday when his car was hit by a mortar bomb. Reuters reported Croatian officials in Travnik as saying, Tiborn Tunakovic was traveling in a convoy near the Bosnian village of Djelilovac, about 10 kilometers west of Travnik, when his vehicle was hit, apparently by Serbian fire, they said.

Arsonists in Germany Destroy Refugee Home

BERLIN — A new home for foreign asylum-seekers was burned down Sunday by arsonists in the latest incidence of anti-foreigner violence in Germany, police said.

Authorities had planned to open the renovated house, a former holiday home for children in Dolgenbrodt, north of Berlin, for 80 asylum-seekers on Monday.



Photograph shows, left, bellhop with Dunhill Cambridge black hand-stitched leather luggage, center, bellhop with Dunhill Cambridge traditional cognac leather luggage and, right, bellhop who will not be getting a tip.

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The Times, London, 15th February 1992.

ALFRED DUNHILL

كلنا من الاصل



Leung Wai-min, holding a bouquet, speaking with reporters at Hong Kong airport after the reporter was deported from Beijing Sunday.

China Expels a Hong Kong Reporter

By Sheryl WuDunn
New York Times Service

BEIJING — The government has expelled from China a Hong Kong journalist who had been detained for a week on charges she offered bribes in exchange for secret documents.

The journalist, Leung Wai-min, a 32-year-old reporter for the Hong Kong Express newspaper, was detained in the early hours of Oct. 25 and kept incommunicado at an unknown location. She was not allowed visits from her husband or editor or from British Embassy officials.

By deciding to deport Miss Leung, instead of putting her on trial, the Chinese authorities apparently were trying to calm anxieties in Hong Kong over the issue.

Miss Leung's detention underscored the prickly relations between China and the foreign press, and reminded Hong Kong journalists that they will be working under Communist rules after the territory reverts to China in 1997.

The official Xinhua press agency said Miss Leung had bribed a government employee into obtaining a "most confidential" document, a copy of which she then forwarded onto her Hong Kong headquarters.

On Oct. 5, Miss Leung's newspaper published the entire text of the keynote speech by the Communist Party leader, Jiang Zemin. The speech was delivered at the party congress in mid-October.

Xinhua said Miss Leung destroyed her copy of the speech by burning parts of it in her hotel room bathroom, before discarding the remains in several trash cans on the streets. The dispatch added that Miss Leung had obtained many secrets from the government employee in exchange for a "large sum of money."

Patten Backed in China

An unusual poll shows that people in China approve the performance of Governor Chris Patten of Hong Kong, whose program to

widen democracy has infuriated the Chinese government, Reuters reported from Hong Kong.

A total of 61 percent of the Chinese polled said they approved of Mr. Patten's four-month-old performance, according to the survey commissioned by the Hong Kong

newspaper, South China Morning Post.

The survey polled 456 people in Shenzhen and other parts of neighboring Guangdong Province and was the first in China by a foreign newspaper, the Sunday Post editor, Peter Lynch, said.

Dissident Back In Taipei After 20-Year Exile

TAIPEI — Taiwan's best-known exiled dissident, Peng Ming-min, returned to a noisy welcome from about 3,000 cheering supporters, including leaders of the main opposition Democratic Progressive Party, at Taipei's international airport on Sunday after spending more than 20 years abroad to avoid arrest on sedition charges.

"I hope to see old friends and exchange views about Taiwan's future and democratic development," said Mr. Peng, 68. "I would like to see the opposition party grow stronger."

A progressive party spokesman said Mr. Peng would campaign for the party in the December parliamentary polls, the first general elections to the legislature in four decades.

Mr. Peng, a political science professor, spent 14 months in a Taiwanese prison in the mid-1960s for advocating that the island declare independence and abandon its official goal of reunification with China. He fled to the United States in 1970, and Taiwanese authorities issued a warrant for his arrest. The government canceled the warrant in June last year after revising its sedition laws under democratic reforms.

Mr. Peng was one of the last leading Taiwanese dissidents to return home.

North Korean Threat Eases U.S. Says Secret Atom Plant Has Been Blocked

By Don Oberdorfer
Washington Post Service

WASHINGTON — The danger of nuclear weapons being produced on a large scale at a previously secret atomic plant in North Korea has been blocked by the combination of international inspections and North-South agreements on the divided peninsula, according to the Bush administration's arms-control chief.

The official, Ronald F. Lehman, who directs the Arms Control and Disarmament Agency and who had earlier been among the officials sounding the alarm about North Korea's nuclear ambitions, said last week that recent developments had "stopped" the North Korean nuclear weapons program at Yongbyon and "blocked the ability" of North Korea "to have a sizable number of nuclear weapons over time."

Mr. Lehman said the administration continued to be concerned about the possibility that a clandestine weapons program, in which small amounts of nuclear material could be produced and hidden in unobserved sites, could produce a few nuclear weapons.

"We can't afford even one nuclear weapon in the hands of North Korea," Mr. Lehman said. Nonetheless, he added, the continuing possibility of a clandestine program was described in terms much less ominous than before.

American officials declared earlier this year that North Korea appeared to be on the verge of acquiring nuclear weapons through its facilities at Yongbyon, north of Pyongyang.

Since the earlier warnings, the International Atomic Energy Agency has been permitted to conduct three inspections of the Yongbyon atomic plants, some of which North Korea had never acknowledged. Another inspection is scheduled for next week.

At their request, agency officials also have visited two additional sites — one a military plant, the

other a civilian plant — that are not in the Yongbyon complex, a spokesman said.

"It turned out we were right" in suspecting that a building near the Yongbyon atomic reactors was intended to convert spent nuclear fuel into weapons-grade material, Mr. Lehman said in an interview.

Officials who toured the plant this spring reported that it was less than half-complete. Mr. Lehman said North Korea could complete the plant and use it for weapons purposes only by doing so "in violation of a North-South agreement and in the face of an inspection regime." This is considered unlikely.

U.S. downgrading of the North Korean nuclear danger, previously described by a variety of officials as the most serious security threat in East Asia, is in keeping with South Korean assessments. President Roh Tae Woo has said that North Korea's nuclear plans and resolve have been weakened by international pressure.

14 Killed in Train Crash in Pakistan

KARACHI, Pakistan — At least 14 people were killed and 44 injured, 13 seriously, when a passenger train rumbled into the back of a freight train in southern Pakistan on Sunday, an army spokesman said.

He said 1,000 troops had been sent to the crash site in Reti, 470 kilometers (290 miles) north of Karachi, to help to cut passengers from the wreckage of the Chenab Express from Karachi to Peshawar.

Ambulance officials said the toll could rise.

"There are numerous bodies inside the twisted wreckage," the spokesman said.

He said army engineers had recovered 14 bodies from the first three derailed coaches of the express that ran into the back of a freight train loaded with wheat at Reti in the southern province of Sindh.

The government ordered an inquiry after initial reports indicated

the accident might have been caused by a signaling error.

The police said the assistant station master fled after the accident, which blocked one of the two main lines between Karachi and the northwestern city of Peshawar.

"The blocked track will be repaired and opened for traffic soon," a railroad official in Karachi said.

The army cordoned off the area, and military doctors set up a first aid center at the site.

Kenneth MacMillan, 62, Choreographer, Dies

LONDON — Sir Kenneth MacMillan, 62, principal choreographer of the Royal Ballet, died of a heart attack Thursday night backstage at the Royal Opera House, Covent Garden.

The choreographer, whose ballets included full-length versions of "Manon" and "Romeo and Juliet," died as a revival of his 1978 ballet "Mayerling" was being performed. Jeremy Isaacs, general director of the Royal Opera, announced the death from the stage after the performance.

His death came several weeks into rehearsals for a Royal National Theater revival of the musical "Carousel," which Sir Kenneth was choreographing for a Dec. 10 opening. It is not clear how his death will affect the production.

He was ballet director of Berlin's Deutsche Oper 1966-70 and director of the Royal Ballet in 1970-77, when he resigned to become principal choreographer. He also became artistic associate of American Ballet Theater in New York in 1984 and took a similar post in Houston in 1988.

Joan Mitchell, 66, Painter, Long a Resident of France

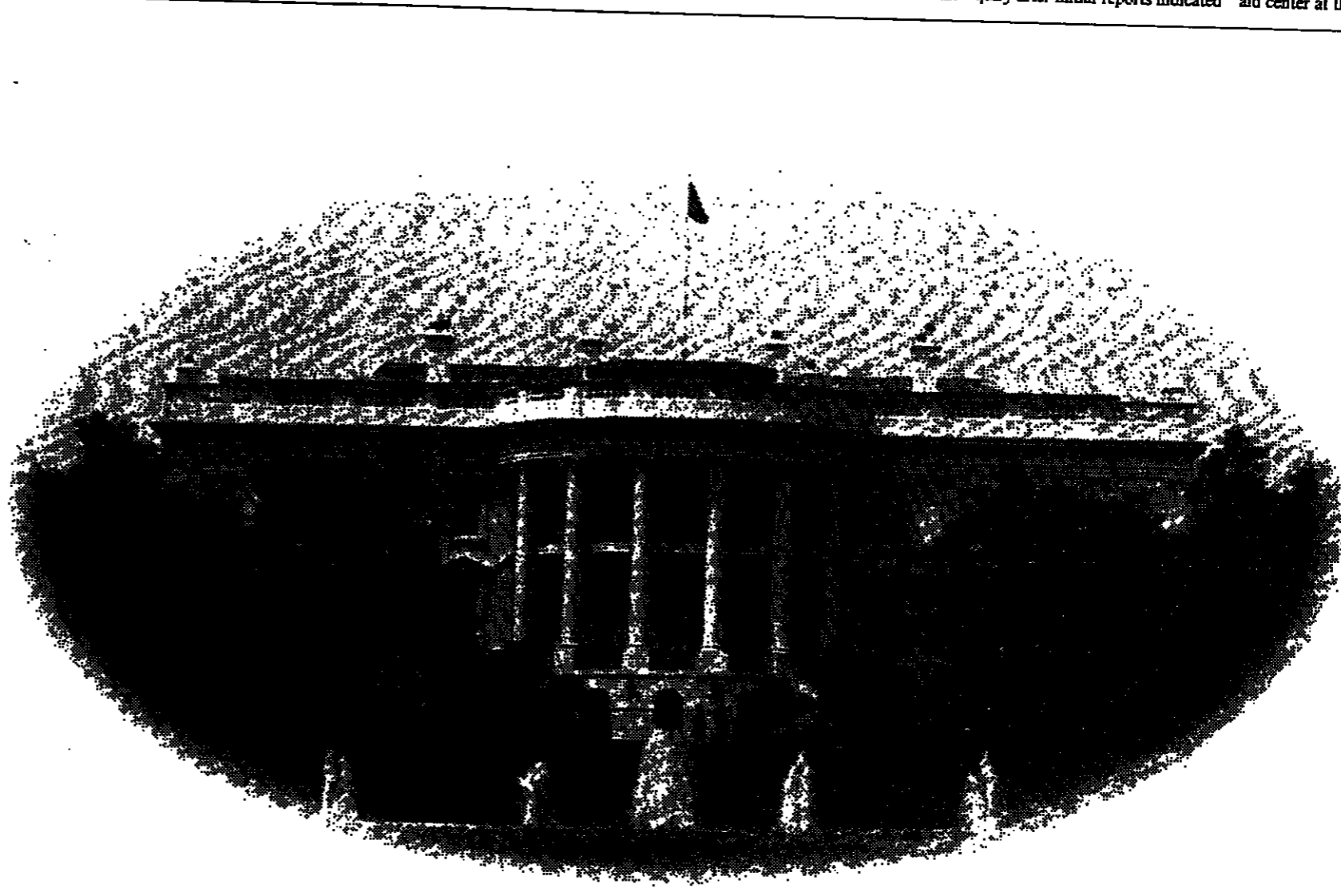
Compiled by Our Staff From Dispatches

Joan Mitchell, 66, the American abstract painter, died in a Paris hospital Friday of lung cancer.

The artist, who was born in Chicago and studied at the Chicago Art Institute, drew inspiration from the French Impressionists and particularly from Claude Monet, started out painting landscapes. She later turned to abstracts, where her works were marked by swirling geometric forms.

She had lived in or near Paris since 1955. In 1982, a retrospective of her work was put on by the Musée d'Art Moderne de la Ville de Paris. She was awarded France's Grand Prix National de la Peinture in 1989.

(Reuters, AFP)



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WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London, Tel: 322 40 00. Prices may vary according to market conditions and other factors. Oct. 30

Canadian Dollars

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Ask. Lists various Canadian bond issues.

Table with columns: Issuer, Con, Mat, Price, Yld, Bid, Ask. Lists various international bond issues.

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MUTUAL FUNDS

Figures as of close of trading Friday, Oct. 30.

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CAPITAL MARKETS

After Currency Crisis, French Franc Flourishes

By Carl Gewirtz
International Herald Tribune
PARIS — "Convergence" is back in fashion. The expectation that Europe's economic performance — in terms of growth, inflation, fiscal rectitude and ultimately interest rates — would converge around a common norm was set down in the Maastricht treaty and then blown away by the hurricane that hit the exchange market in September.

The evidence of the franc's strength can be seen in the bond market.

The evidence can be seen in the bond market. The measurable risk premium investors put on holding assets denominated in francs is shrinking, with yields on 10-year French government paper now only 0.86 percentage point, or 86 basis points, above the yield on German bonds.

That is a decline of 10 basis points over the past week and nearly 40 basis points below the level seen during the upset in the currency market. How fast it continues to contract is a matter of conjecture.

Two mainstream politicians, Charles Pasqua and Philippe Séguin, who divided the rightist Gaullist party by urging France to reject the Treaty on European Union, are now seeking a devaluation of the franc by trying a revaluation of the mark, as the fastest way to spur growth and reduce unemployment in France.

"This is not an unhealthy development," said Christopher Potts at Banque Indosuez. "Discussion about the policy aiming for a strong franc had to come into the open, and better that there be a public debate which allows defenders to fight for their view."

Noting there is broad support for a strong franc among right, left and center political parties, Mr. Potts sees "no reason to expect any change in policy."

"The cost-benefit analysis still says this is a rational decision," in addition, he noted "no evidence that underlying conditions have improved in either Britain or Italy" after those countries dropped out of Europe's fixed exchange-rate mechanism and allowed their currencies to devalue. "They are still in more trouble than France is," he said.

The most likely outcome from a public debate, he added, was "more pressure on Germany to speed up its loosening of monetary policy, which will permit a faster reduction in French rates."

Aside from potential worries about the franc, the differential between French and German bond yields is likely to turn sticky from now until the end of the year. The German government is reported to be planning no 10-year bonds until next year.

The move is apparently aimed at driving long-term investors to buy the debt of the Treuhandanstalt, the agency charged with privatizing companies in the former East Germany. Although its debt is as good as the government's, which guarantees the debt, Treuhand paper trades at some 45 basis points above the yield on

See FRANC, Page 10

A Warning on Derivatives

Compiled by Our Staff From Dispatches
BASEL, Switzerland — International banks, financial companies and central banks must pay greater attention to risk management in the derivative-instruments business, where volume has surged in recent years, says a report to be released on Monday.

The report, by a working group of the Bank for International Settlements, warns that complex positions in derivative instruments — futures and options — needed careful managing because of the close links between markets, the lack of adequate balance-sheet transparency and the speed with which prices react.

"The availability of derivative instruments has enabled participants to take complex positions that rely on a presumption of liquidity in a number of markets," the report says. "That presumption may prove illusory in times of stress."

Annual turnover in derivative financial instruments traded on international organized exchanges rose from 146 million contracts in 1986 to 336 million in 1991, the report says. Growth in European markets was particularly dramatic, surging from 10 million to 84 million.

Banks and financial companies were advised to pay greater attention to risk management and to develop contingency plans that would enable them to cope with problems that may arise in other institutions or in other markets, since financial markets "show a tendency to spread more quickly and widely than in the past."

Further efforts are needed, for example, to improve accounting practices to show what are now considered "off-balance sheet" transactions, and clearing procedures between financial institutions, the BIS says.

Also, a clear understanding of the workings of derivatives markets by central banks is essential to their role of fostering financial stability.

The report adds that most of the business in derivative instruments is with international banks, and in many cases at least 50 percent of their exposure is to other banks.

The growth in derivatives business, which was sparked by tougher competition in financial markets following deregulation, more active portfolio management and advances in computer technology, has to a large extent replaced traditional inter-bank activity.

This change has altered the risk scenario faced by banks, says the report, which was based on interviews with commercial and investment banks and with nonbank financial companies.

Assessing counterparty risk has become considerably more difficult with the participation of nonbank companies that are subject to few disclosure requirements in derivatives markets and with the growth of off-balance-sheet business generally.

The report says that although many banks have improved risk-management capabilities, "significant gaps remain between the desired capabilities of risk-management systems and the systems actually in place."

(Reuters, Bloomberg)

Grim Outlook for Airlines

LATA Predicts \$2.5 Billion Worldwide Loss
Compiled by Our Staff From Dispatches
GENEVA — World airlines, already hard-hit by recession, are expected to post a massive \$2.5 billion loss this year, bringing their losses in three years to more than \$9 billion, the International Air Transport Association will report Monday.

The director-general of the association, Günther Eser, was to deliver the grim news to the heads of 213 airlines at IATA's annual general meeting in Montreal.

He said he would warn the airlines not to expect any significant turnaround until 1994, well after the world economy starts to recover.

"It would be foolish to guess the result for 1993, but nobody should bet on the IATA airlines as a group making a profit on their international services," Mr. Eser said at a briefing for reporters in Geneva, before departing for Montreal. "We are not expecting a solid turnaround until 1994," he added.

Already hit by recession, many airlines suffered significant losses because of the 1991 Gulf War. Combined losses in 1991 were \$4 billion, after a \$2.7 billion loss in 1990.

"More than \$9 billion in three years — that's more than all the profits the airlines made in the 1980s," Mr. Eser noted.

When the global economy edged toward recession at the turn of the decade, very few major carriers were willing to cut back on costs. Instead, they tried to hang on to market share and were forced to cut prices.

Since then, traffic and yields have remained too low, capacity and unit costs too high. "That is why 900 aircraft are quite literally parked in the desert of Arizona," Mr. Eser said.

But he added that although the last two years had been disastrous for many individual airlines, they had not been "a totally negative experience for our industry."

"The economic difficulties in 1990-92 have forced the airlines to try to put their houses in order, particularly in controlling costs and becoming more productive," he said.

According to association figures, member airlines cut staff by 3.4 percent last year, to around 1,450,000. Productivity per employee increased by 1.7 percent and was still increasing. Job losses are expected to be much higher this year.

Mr. Eser said airlines would have to continue the drive for efficiency. Operating margins in 1991 were minus 1.6 percent, and even in 1988 — the best of recent years — the profit margin was only 2.6 percent on revenue and less than 5 percent on assets employed.

Mr. Eser said he expected many airlines to overcome current problems, and he disagreed with forecasts that only four or five European airlines would survive. But he said he foresaw an increase in cooperation arrangements and alliances among airlines, like those Swissair makes with Austrian Airlines and Scandinavian Airlines System.

(Reuters, AP)

Streamlining the Bundesbank

How New Regional Seats Could Sway Policy
By Brandon Mitchener
International Herald Tribune

FRANKFURT — Two years after Germany's geographical, monetary and political unification, a wave of unity is about to sweep through the institution that led the original transformation, the Deutsche Bundesbank.

The change, which will lower the number of Bundesbank regional central banks will give Eastern Germany representation for the first time, could give a more international bent to the central bank, some analysts say.

Effective Monday, the German central bank, which masterminded the introduction of the Deutsche mark in the East even before the region was annexed politically, for the first time guarantees the five Eastern German states representation on its governing board while eliminating some Western German state central banks. The change also indirectly increases the influence of the monetarist ancien régime, the Frankfurt directorate, which retains its seven board seats.

After the shuffling is over, united Germany will have 9 regional central banks, compared with 11 in the former West Germany alone. Analysts said the change would streamline the Bundesbank board, making it less unwieldy, but would also complicate the fine art of Bundesbank-watching by introducing new variables.

See SHUFFLE, Page 10

Lufthansa Withdraws Bid for Continental

Compiled by Our Staff From Dispatches
BONN — Lufthansa German Airlines has withdrawn its offer to buy Continental Airlines of the United States.

Lufthansa said in a statement Saturday that there were still "a series of matters" that could not be settled before the Monday deadline for formal buyout offers.

The airline, 53 percent owned by the German government, gave no further details, but said it would strengthen its efforts to seek a partner to build its share of the important North Atlantic market.

Lufthansa and Davis Cos., run by the American billionaire Marvin Davis, offered \$400 million in September for Continental, the fourth group to enter the bidding war for the carrier.

The remaining bids for Continental are a \$425 million offer from Air Canada and Air Partners; a \$400 million offer from Maxair Holdings, an investor group led by Maxam Inc.'s chairman, Charles Hurwitz, and Aeromexico, and a \$385 million bid from Houston Air, owned by Alfredo Breuer.

Air France is considering offers of cooperation accords with U.S. airlines, said the airline's chairman, Bernard Attali, according to a Bloomberg Business News dispatch from Paris.

"We are constantly being wooed by the large American companies, who are interested in accords," Mr. Attali said on RTL radio. He declined to name companies.

Paris Bars Any Deal In Chicago Over Trade

Compiled by Our Staff From Dispatches
PARIS — The French agriculture minister said Sunday that there could be no satisfactory agreement out of trade talks in Chicago between the United States and the European Community.

"I want a comprehensive and balanced GATT agreement," said the minister, Jean-Pierre Soisson, adding that he would never sign "an accord agreed to at the expense of European agriculture."

The U.S. secretary of agriculture, Edward R. Madigan, and the EC agriculture commissioner, Ray MacSharry, were resuming talks on Sunday in Chicago in a bid to settle a dispute over EC farm subsidies.

Mr. Soisson said an agreement was "not possible in Chicago," but that some gaps could be bridged.

Earlier Sunday, Finance Minister Michel Sapin said he was confident Mr. MacSharry would defend France's interests.

"This is his job," Mr. Sapin said in an interview on French television. "His job is to defend the mandate given to him by the 12 countries. The mandate given by the 12 countries is a mandate that respects the interests of France."

But Mr. Soisson said in an interview on Radio Monte Carlo: "I do not want an agreement on the eve of a presidential election for reasons that have nothing to do with the development of trade between Europe and the United States."

Referring to the U.S. election on Tuesday, he said that U.S. proposals made "in the last hours of the campaign were aimed at satisfying American farmers."

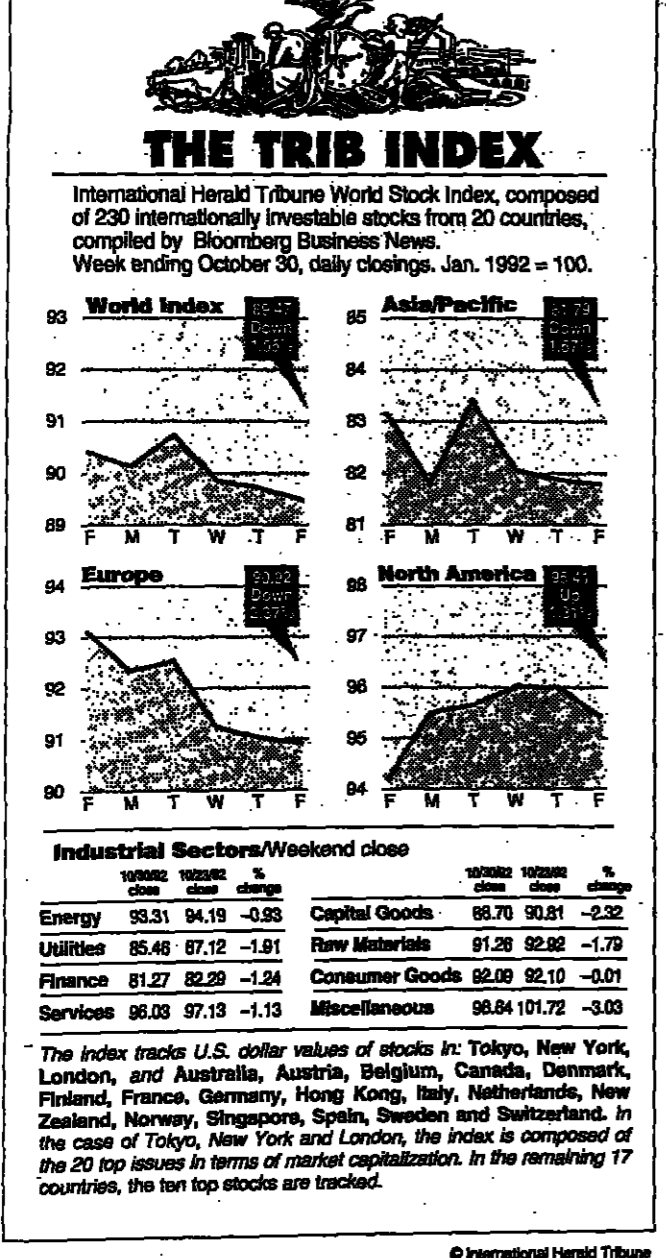
"I hope that MacSharry will not walk into the trap," he added.

The dispute over farm subsidies is blocking a world trade agreement under the General Agreement on Tariffs and Trade. EC officials said earlier there was a 50-50 chance of an accord in the talks in Chicago.

The United States is demanding that the Community cut its exports of subsidized farm products by 24 percent. Officials said Mr. MacSharry was now offering 21 percent.

Technical talks broke down last week, and Washington, accusing the Community of going back on earlier concessions, threatened to impose duties on \$1 billion worth of imports from the EC.

(AFP, Reuters)



Taipei Notebook

A Foreign Land Where Clinton Has the Edge

Bill Clinton may be vulnerable to the charge that he has limited foreign policy experience, but there is at least one place where he has an edge on President George Bush: Taiwan. Of the handful of official trips the Arkansas governor has made outside the United States to promote his state, as many as half have brought him here.

On the other hand, Mr. Bush, who prides himself on his understanding of China based on his term as U.S. chief of mission in Beijing in the mid-1970s, has never visited Taiwan in an official capacity.

Officials of the island's Kuomintang government, which has a long history of cultivating ties in Washington, don't believe U.S. policy toward them would change much during a Clinton presidency. Perhaps that is why they are so hushy in their support for Mr. Bush, despite the fact that he recently reversed a longstanding policy and granted Taiwan permission to buy 150 F-16 warplanes for more than \$5 billion.

"Many people feel that the sale of the F-16s was not really the result of Mr. Bush's concern for Taiwan," said one official. In July, General Dynamics, the maker of the plane, had threatened to lay off 6,000 workers in Texas (which has 32 electoral votes) unless the sale was approved.

One thing American business executives in Taiwan hope Mr. Clinton would do, if elected president, is end a 13-year-old ban on visits by cabinet-rank administration officials. Ever since the United States

country's proposed new anti-tobacco legislation. Among other things, the law would strictly limit tobacco advertising, a prohibition U.S. officials say violates a landmark market-opening agreement reached in 1986. Before then, the Taiwan tobacco market was virtually closed to foreign brands.

U.S. officials say the agreement specifically allowed for advertising and promotion so that American cigarette brands could woo customers away from local favorites, such as "Long-Life" and "Prosperity," which had the market to themselves for 40 years.

"Our position is that we want the agreement to be implemented or we want some compensation," said a spokesman for the American Institute in Taiwan, Washington, D.C. de facto embassy.

But Taiwan officials argue that attitudes toward smoking have changed dramatically in recent years and that the government has a right to protect its citizens.

"This is a health issue. It has nothing to do with trade," said Deng Chen-chung, deputy director of the Europe and North America desk of the Bureau of Foreign Trade.

The two sides will attempt to resolve the issue at a meeting in December.

Do It Now or Disappear? If volume of newspaper ink is an accurate indicator, people in Taiwan are eager

Laurence Zuckerman

PC Viruses: Alert Downgraded

By John Markoff
New York Times Service
NEW YORK — A computer virus called Michelangelo caused a sensation when warnings erupted that on March 6 this year it would destroy computer files around the globe.

Some alarmists suggested that the virus had resurfaced epidemic proportions in desktop computers, and would affect hundreds of thousands, even millions, of systems.

When the day arrived, Michelangelo yielded a far shorter brush. Reports of damage were merely in the hundreds.

Still, the incident fueled a debate among those exploring the new field of computer-virus epidemiology. The central issue: How much of a menace are such viruses, and what kinds of defensive measures are required by businesses and organizations?

A team of computer researchers at International Business Machines Corp. may have an answer. It has proposed a theoretical model describing computer virus growth that could help explain why Michelangelo proved to be such an anticlimax.

VACHERON CONSTANTIN GENEVA SINCE 1755. Includes an image of a watch and text: 'THE WORLD'S OLDEST WATCH MANUFACTURER. GENEVA SINCE 1755. VACHERON CONSTANTIN, 1, RUE DES MOULINS CH-1004 GENEVE.'

See VIRUS, Page 10

Macy's Plans a Revival Around a New Merchandising System

By Stephanie Strom
New York Times Service

NEW YORK — When R. H. Macy & Co. presents its five-year business plan to its creditors on Thursday, much of it will be devoted to an unusual new system of allocating merchandise. Bland as that might sound, the company thinks it will be the cornerstone of its effort to leave bankruptcy behind and emerge as a profitable retailer.

The system, begun successfully in Macy's men's division a year ago and since rolled out in the rest of the company, introduces a new traffic cop, known as a planner, between the merchandise buyer and the store itself.

Tracking sales data compiled each time a clerk rings up a sale in a Macy's store, the planner spots selling patterns store by store and advises the buyer on what to buy and what not to buy for each of the 112 stores. The planner also advises each store on what and how much to stock.

In the past, Macy's allocation of merchandise was much more hit and miss — the company had little or no idea what was selling in stores and what was not until weeks later and so could not respond smartly.

Just how well the new system works became clear to Macy's in examples like this: The company recently had an East Coast sale on men's shirts that was identical to one a year earlier.

Yet Macy's sold 30 percent more shirts this year. The reason: A planner studied the computer numbers on last year's sale and found that many stores had sold out of the shirts quickly. He told the buyer, who then ordered more shirts to meet the demand.

Another example is sales of Hanes hosiery. Thanks to a planner responding to sales data generated by the computer, Macy's has increased its business 15 percent on 25 percent less inventory. And because of a direct new computer link between Macy's and Hanes, orders that used to take up to seven weeks to complete are now filled in nine days.

The new system is crucial for Macy's because as margins shrink under growing competition, the emphasis in retailing is increasingly on turnover. And shoppers will more likely find what they want, in the size and color. But the item will be less likely to be marked down, because Macy's can anticipate demand better.

"This is a jocular issue, a major change from the way we conducted our business," said Mark S. Handler, co-chairman of Macy's. "How you assort and distribute a product is as important as what you buy."

That is a phenomenal change of heart for a merchant who cut his teeth in Macy's training program, which taught young executives the more-is-always-better-than-less theory of inventory management. Such a system guaranteed that the stores always had a lot of merchandise, but also guaranteed that they carried not only best-sellers but also many goods they could not give away.

Now, with the zeal of the newly converted, Mr. Handler and younger managers like Lawrence Anderson are preaching that less is sometimes more. "We're buying less but more appropriately and therefore selling more," said Mr. Anderson, group vice president of men's planning and distribution. "It's a significant change in our culture."

Stocking the colors and sizes its customers want increases Macy's chances of selling more and making those sales more profitable. A study of Macy's customers after the company filed for bankruptcy indicated that they were frequently disappointed because the Macy's store in their neighborhood was out of stock in what they wanted.

Kurt Salmon Associates, the consulting and research firm that conducted the

'This is a jocular issue, a major change from the way we conducted our business.'

Mark S. Handler, co-chairman.

study, estimated that Macy's could increase its sales by 17 percent simply by carrying the right stock.

Consultants and analysts wonder whether Macy's can really institute such a change. The company did not disclose details of how its new system works until it briefed The New York Times 10 days ago, and therefore few people have enough information to assess it.

But getting employees to accept new computers and a new way of doing business will take years, they say, and Macy's does not have years to reverse losses like the \$1.25 billion loss it reported on Friday for its financial year that ended Aug. 1.

"It's going to take time because Macy's is an institution, but I think there is at least

the direction that they didn't have before," said Walter F. Loeb, president of Loeb Associates Inc., a retail consulting firm.

With the installation of computerized inventory management and accounting systems and the new buying system, Macy's has estimated that its cash flow will exceed \$800 million by 1998. Without any of the changes, cash flow — or earnings before interest, taxes, depreciation and amortization — would be \$210 million.

Mr. Anderson and his colleagues say the rapid improvement in turnover they have seen will make believers out of the worst skeptics. "We're seeing success, and it has happened a lot sooner than we expected," Mr. Anderson said.

In its Southern stores, where Macy's first began the process, the company has increased revenues and profits, said Myron E. Ullman 3d, Macy's co-chairman. The system now operates across the United States, which is broken into East and West divisions. "While it's premature to say we've seen overwhelming improvement across both divisions, we have seen marked improvement in the areas we've had longest," he said.

Mr. Ullman said the five-year business plan at Macy's was based on the assumption that the company would experience no real growth during that period, which means incredible pressure to reduce expenses and raise productivity. "The old system worked great when we were growing 8 percent a year," he said.

When the company stopped growing, however, its bloated management and excessive inventory became apparent. In the quarter following its bankruptcy filing on

Jan. 27, Macy's wrote off more than \$300 million in worthless inventory.

Macy's new system does add a layer of managers — a few more than 100 planners, all former buyers. On the other hand, Macy's has cut the number of buyers to 180 from 425. The remaining positions were eliminated, reducing costs.

Because compensation for each buyer, planner and store manager now depends to some extent on the performance of the store as a whole, it is intended to increase cooperation among the three.

Under the old system, stores called the buyers directly to ask for merchandise. The buyer for junior apparel, for example, could get calls from more than 50 stores in his division, on top of his duties planning advertising and promotions, calling on suppliers, ordering, allocating merchandise to the stores and worrying about whether he was making his gross margin targets. Buyers were infamous for not returning calls until days after they were made, squandering the opportunity to sell more merchandise.

"When I was a buyer, I dreaded talking to the stores because when they called me, it was usually to complain," said Max Wenzel, the planner for men's dress shirts in Macy's eastern division.

But now the stores rely on the planner to tell the buyer what they need. For example, thanks to a computer system that tells planner, buyer and store manager precisely what is selling where, Patie McCuskey, the planner responsible for certain men's apparel, knows that orange Polo shirts don't sell in Smith Haven, New York.

BUSINESS BRIEFS

Rome Sees Potential for ERM Return

ROME (Reuters) — The Italian government's moves to rein in its huge budget deficit have helped set the scene for a return of the lira to the European currency grid, according to the governor of the Bank of Italy, Carlo Azeglio Ciampi.

"The conditions for a return of the lira to the exchange-rate mechanism are beginning to emerge, a return that is all the more pressing now that parliament has ratified the Maastricht treaty," he said in a weekend speech.

Prime Minister Giuliano Amato has said the rapid approval by parliament of a 1993 austerity budget that would reduce the public-sector borrowing requirement by 93 trillion lire (\$70 billion) is the key to a return to the European currency grid. A vital package of cost-cutting measures, part of the austerity budget, received final approval in parliament last week.

Sale of H.K. Trade Center Canceled

HONG KONG (Bloomberg) — An agreement to sell Hong Kong's World Trade Center building for 2.5 billion Hong Kong dollars (\$323.4 million) has been aborted, the building's owner, World Trade Center Group, said in a statement Sunday.

The decision to terminate the "offer letter" for the office, shopping and entertainment complex followed the failure of the prospective buyer, Resourceful River Ltd., to pay a deposit of 50 million dollars, the statement said.

"Notwithstanding that Resourceful has delivered three different checks in that amount to WTCG's solicitors, it has not been possible to have any of the checks paid and those presented have been dishonored," it said.

Saudi Oil Output Rumors 'Baseless'

LONDON (Reuters) — Saudi Arabia has no plan for a sharp increase in its oil output to 8.8 million barrels per day in November, according to a Gulf source.

Speculation in the oil market on Friday about such an increase was "completely baseless," the source said Saturday. The reports were said by traders to have contributed to weakness in petroleum futures. Saudi output now is 8.4 million barrels per day.

EC to Take Up Animal-Testing Ban

BRUSSELS (Reuters) — EC ministers are to decide on Tuesday whether the European Community should bar cosmetics makers from testing their goods on animals. The majority of ministers are expected to reject proposals by the EC Commission to introduce a ban in 1998, EC officials say.

The Commission says a deadline will stimulate the search for alternative methods of testing and that its proposal would allow postponement of the ban if it was determined that animal trials were difficult to replace. But Germany and Denmark are the only two EC members seeking a date for a ban. Others say it could damage cosmetics companies' ability to compete.

India Acts on Foreign-Exchange Law

NEW DELHI (UPI) — Prime Minister P.V. Narasimha Rao's cabinet has approved an overhaul of India's foreign-exchange regulations as part of the current drive to liberalize the economy, a government spokesman said.

The proposed amendments to the 1973 Foreign Exchange Regulation Act were expected to be presented to Parliament next month. Some of the amendments seek to codify and put into law executive orders of recent months. Those orders included the recent permission to foreign companies doing business in India to repatriate profits.

French in Abu Dhabi Trade Talks

ABU DHABI (UPI) — The United Arab Emirates and France opened talks on Sunday over ways to promote economic cooperation, investment and trade exchange between the two countries.

The French minister of foreign trade, Bruno Durieux, who arrived Sunday in the United Arab Emirates, held talks with the Emirates' minister of economy and commerce, Saoud Ghobash, ahead of the largest French trade show in the Gulf, Prestige et Technologie, which is to be held in Dubai on Monday, an official said.

WORLD STOCKS IN REVIEW

Via Agency France-Press

Amsterdam

Disappointing third-quarter results announced by Dutch companies sent share prices lower on the Amsterdam stock exchange last week.

The CBS all-share index shed 2.6 points, or 1.5 percent, during the week to close at 191.8 on Friday. Volume contracted sharply.

The Kempen & Co. brokerage company said further weak corporate results would keep the market under downward pressure in the short term.

Frankfurt

Share prices weakened on the Frankfurt market, hit by somber forecasts for the German economy next year.

The DAX index lost 34.5 points, or 2.3 percent on the week, to close at 1,492.32 on Friday. The Commerzbank indicator fell 21.7 points, or 1.3 percent, to close at 1,670.2. Volume was slightly lower.

Analysts at Bayerische Vereinsbank said they did not think the DAX would test this year's low of 1,413 points, even though there was little hope of a German interest-rate cut in the near future.

Some auto stocks were hurt by pessimistic expectations for next year, when car output is expected to be down by around 7 percent. BMW was unchanged at 485 DM, but Porsche shed 21 to 449 and Daimler lost 29 to 532.

Hong Kong

The Hong Kong market lost ground, hit by a dispute between Britain and China over the future of democratic reform in the British colony. The Hang Seng Index was down 71.85 points, or 1.14 percent, over the week, to close Friday at 6,190.69.

The market started the week with a plunge of 200 points Monday, following an attack by China on Governor Chris Patten's proposals to carry out democratic reforms ahead of Legislative Council elections in 1995, two years ahead of the colony's transfer to Chinese sovereignty.

However, the market recovered 155.54 points Tuesday as European and U.S. buyers returned. Dealers said they expected the support level to remain around 5,900 points as the market rallied toward a year-end level near 6,700.

London

The market was torn between prospects for lower interest rates, supporting stocks, and the deterioration of the political situation centering on European issues.

The Financial Times Stock Exchange 100-share index shed 11.4 points, or 0.4 percent, during the week to close at 2,658.3 on Friday.

Hopes for another rate cut boosted stocks early in the week, but were thwarted when the Bundesbank left key interest rates unchanged on Thursday.

The market drew some optimism from the speech by City bankers Thursday by Norman Lamont, the chancellor of the Exchequer, who stressed growth and pointed to future loosening of monetary policy, while insisting on the need to keep inflation within a range of 1 percent to 4 percent a year.

The market is now awaiting the Nov. 12 presentation of budget spending, which should contain some help for industry and perhaps bring an announcement of another reduction in British interest rates.

Milan

The Milan exchange finished sharply higher as the Italian currency stabilized against the Deutsche mark and the discount rate was cut by one percentage point.

The MIB index gained 49 points, or 5.96 percent during the week, to close at 871 on Friday. Turnover increased markedly.

Among blue-chips, STET gained 13.61 percent, Ferfin was up 11.50 percent and Sip was 10.01 percent higher. Credito Italiano rose 13.07 percent.

Paris

Share prices performed poorly on the Bourse, the CAC-40 index fell back to the level at which it started the year. On the week, the blue-chip index was off 1.4 percent, to close at 1,742.40 on Friday.

Analysts said investors were disappointed in the Bundesbank's decision to leave interest rates unchanged. The market was subdued and foreign investors stayed away ahead of the Nov. 3 U.S. presidential election. The announcement of a partial

privatization of Rhône-Poulenc failed to generate much enthusiasm.

Singapore

The Singapore stock exchange finished higher, with volume reaching a five-month record on Friday and prices, particularly of blue-chips, making strong gains.

The Straits Times industrial index gained 20.53 points in four trading days, to 1,387.00, while the SES All-Singapore index added 4.33 points to 364.44. The market was closed Monday for a public holiday. In spite of this, volume was up 23 percent.

Brokers said Friday's record turnover, at 133.4 million shares, was in reaction to an anticipated favorable Malaysian budget. Singapore stocks, sidelined in favor of Malaysian issues for the last two months, also found support.

Tokyo

Share prices lost ground in thin trading on the Tokyo exchange amid unclear prospects for economic recovery and investor concern about the political situation in Japan.

The Nikkei average of 225 selected first-section issues lost 350.25 points, or 2 percent on the week, to close at 16,767.40 on Friday. The broader-based Tokyo Stock Price Index was off 17.78 points at 1,278.91. Volume was down.

Brokers said market participants were closely watching the course of German interest rates, which might influence Japanese rates.

Investors were concerned about the future of the Japanese economy after the Bank of Japan governor, Yasushi Mieno, said it had continued to slow down and remained in an "adjustment stage."

Half-year earnings reports by Japanese companies were generally disappointing.

Zurich

Prices fell slightly in lackluster trading on the Zurich market. The Swiss Performance Index lost 3.13 points during the week to close at 1,152.76.

Banks finished lower. Credit Suisse fell 40 francs to 1,990 and Banque Populaire Suisse was down 15 at 770. Among industrials, BBC lost 250 to 3,470 and Fischer was down 75 at 705.

THE FASTEST

ANIMALS

ON EARTH.

Team Camel congratulates Nigel Mansell, Riccardo Patrese, Michael Schumacher, Martin Brundle, as well as the team managers, designers, engineers, pit crews and everyone else who helped steer Team Camel to its most successful FIA Formula 1 World Championship season ever!



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CAMEL
FORMULA 1

CONGRATULATIONS TO ALL WHO HELPED MAKE 1992 THE YEAR OF THE CAMELS

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Oct. 30.

Table with columns: Sales, High, Low, Close, Net Change. Lists various OTC stocks and their trading data.

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Advertisement for AEG Domestic Appliances. Features a washing machine image and text: 'The environment begins at home. White goods are getting greener. Conserving energy, cutting waste. Something that AEG's appliances have been doing for decades...' Includes AEG logo and 'A member of the Daimler-Benz Group'.

Table with columns: Sales, High, Low, Close, Net Change. Lists various OTC stocks and their trading data.

Handwritten Arabic text: 'كلنا من الأصل' (All of us are from the origin).

(Continued on next page)

